TOWN OF
TROPHY CLUB

Town of Trophy Club, TX

Comprehensive Annual Financial Report

2014-2015

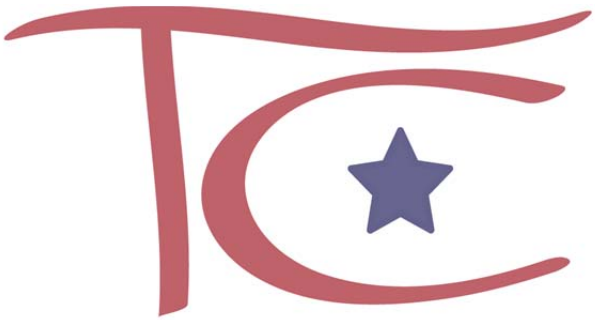
Cover Photo: Community Pool on July 4, 2015

TOWN OF TROPHY CLUB, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED SEPTEMBER 30, 2015

As Prepared By The
FINANCE DEPARTMENT



TOWN OF
TROPHY CLUB

TOWN OF TROPHY CLUB, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2015

TABLE OF CONTENTS

	Page
I. INTRODUCTORY SECTION	
Letter of Transmittal	i
Certificate of Achievement	vi
Organization Structure	vii
Elected Officials, Appointed Officials and Key Staff	viii
II. FINANCIAL SECTION	
Independent Auditor's Report	1
A. MANAGEMENT'S DISCUSSION AND ANALYSIS	5
B. BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Governmental Funds Financial Statements	
Balance Sheet	16
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances	20
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	22
Proprietary Funds Financial Statements	
Statement of Net Position	23
Statement of Revenues, Expenses, and Changes in Net Position	24
Statement of Cash Flows	25
Fiduciary Fund Financial Statements	
Statement of Fiduciary Net Position - Agency Fund	26
Discretely Presented Component Units	
Combining Statement of Net Position	27
Combining Statement of Activities	28
Notes to the Basic Financial Statements	29
C. REQUIRED SUPPLEMENTARY INFORMATION	
Texas Municipal Retirement System - Schedule of Changes in Net Pension Liability and Related Ratios	58
Texas Municipal Retirement System - Schedule of Contributions	59
Retiree Health Plan - Schedule of Funding Progress	60
Budgetary Comparison Schedule - General Fund	61
Notes to Required Supplementary Information	62

	Table	Page
D. COMBINING AND BUDGETARY COMPARISON SCHEDULES		
Major Governmental Funds		
Budgetary Comparison Schedule - Debt Service Fund		64
Nonmajor Governmental Funds		
Combining Balance Sheet		66
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances		68
Fiduciary Funds		
Statement of Changes in Agency Assets and Liabilities		71
Discretely Presented Component Units		
Balance Sheet-4B Economic Development Fund		73
Reconciliation of the Economic Development Fund 4B Balance Sheet to the Statement of Net Position		74
Statement of Revenues, Expenditures, and Changes in Fund Balance-4B Economic Development Fund		75
Reconciliation of the Economic Development Fund 4B Statement of Revenues Expenditures, and Changes in Fund Balance to the Statement of Net Activities		76
Balance Sheet-Tax Increment Reinvestment Zone #1		77
Reconciliation of the Tax Increment Reinvestment Zone #1 Balance Sheet to the Statement of Net Position		78
Statement of Revenues, Expenditures, and Changes in Fund Balance-Tax Increment Reinvestment Zone #1		79
Reconciliation of the Tax Increment Reinvestment Zone #1 Statement of Revenues Expenditures, and Changes in Fund Balance to the Statement of Net Activities		80
III. STATISTICAL SECTION		
Table of Contents		82
Net Position By Component	1	83
Changes in Net Position	2	84
Fund Balances, Governmental Funds	3	86
Changes in Fund Balances, Governmental Funds	4	88
Assessed Value and Estimated Actual Value of Taxable Property	5	90
Direct and Overlapping Property Tax Rates	6	92
Principal Property Tax Payers	7	94
Ad Valorem Tax Levies and Collections	8	95
Ratios of Outstanding Bonded Debt by Type	9	96
Ratios of General Bonded Debt Outstanding	10	97
Direct and Overlapping Debt	11	98
Demographic and Economic Statistics	12	99
Principal Employers	13	100
Full-Time City Government Employees by Function/Program	14	101
Operating Indicators by Function/Program	15	102

TOWN OF
TROPHY CLUB
100 Municipal Drive • Trophy Club, Texas 76262

March 11, 2016

Honorable Mayor, Members of the Town Council,
And the Citizens of the
Town of Trophy Club, Texas

The Town's Finance Department has prepared a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) which were audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The Comprehensive Annual Financial Report (CAFR) for the Town of Trophy Club, Texas for the fiscal year ended September 30, 2015 is hereby issued.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making the representations, management of the Town has established a comprehensive internal control framework that is designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient and reliable information for the preparation of the Town's financial statements in conformity with GAAP. Internal controls should not outweigh their benefits; therefore, the Town's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance, that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Town's financial records have been audited by Weaver LLP, Certified Public Accountants, as required by the Town Charter. This CAFR has been prepared based upon those audited records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town are presented fairly, in all material respects, for the fiscal year ended September 30, 2015. This independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended September 30, 2015, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town

The Town of Trophy Club, Texas incorporated in 1985 as Texas' first premiere master planned community, is located in the North Central portion of Texas. This area of the State has proven to be one of the top growth areas in Texas and the United States. The Town currently occupies a land area

of just over 4 square miles and serves a growing population of approximately 13,000. The Town is empowered to levy a property tax on real property located within its boundaries. Trophy Club is also empowered, by State statute, to extend its corporate limits by annexation, which has occurred periodically when deemed appropriate by the governing council of the Town.

Trophy Club has operated as a Home Rule municipality utilizing the Council-Manager form of government since 2004. With the Charter Amendments passed at the May 11, 2013 election policy-making and legislative authority are vested in the Town Council consisting of the Mayor and six other council members. The Town Council is responsible for, among other things, passing ordinances, adopting the budget, appointing boards and committees, and hiring the Town Manager, Town Secretary, Municipal Judge, and Town Attorney. The Town Council is elected on a non-partisan basis. With the Charter Amendments passed at the May 9, 2009 election, Council members are elected from the Town at-large-by-place in the manner, for a term of three (3) years or until their successors have been elected and take office. Each Council member shall be elected to and occupy a place on the Council, such Places being numbered (e.g., Place 1, Place 2, Place 3, etc.). No person shall serve as Mayor or Council member for successive elected full terms totaling more than six years. The Town Manager is responsible for carrying out the policies and ordinances of the Town Council, overseeing the day-to-day operations of the government and for appointing the heads of the various Town departments.

The Town of Trophy Club provides a full range of municipal services including general government, public safety (police and EMS), streets, parks and recreation, community development, code enforcement, and drainage utilities. Water/wastewater and Fire protection are provided through the Municipal Utility District.

Local Economy

Fast-paced growth is one of the Town's identifying characteristics, identified by both the Dallas Business Journal and Fort Worth Builders Association. Trophy Club's location between DFW and Alliance Airports is ideal for businesses and residents, as well as those who commute to Dallas, Denton, Las Colinas, and Fort Worth. Trophy Club maintains a small-town, picturesque feel while taking advantage of nearby metro areas. The Town offers an outstanding quality of life, with great educational and recreational amenities as well as two 18-hole premier golf courses including the only course designed by Ben Hogan.

The North Texas region possesses diverse research and education institutions, logistics, oil and gas, manufacturing and industrial, and a professional services base that has contributed to the relative stability of the unemployment rate with approximately half of the local workforce employed in management, professional, and related occupations. Figures from the Bureau of Labor Statistics indicate a Denton County unemployment rate of 3.2% while the national unemployment rate is 5.0% as of December 2015.

Trophy Club has worked diligently to position itself for a significant future within DFW and the Alliance corridor. The Town has issued over 1,000 building permits for high end homes over the past 5 years, with another 100 building permits anticipated for Fiscal Year 2016. Additionally, the Town's tax base exceeded $1.2 billion net taxable value in 2015. Business growth continues to be strong in Trophy Club and the Highway 114 region. The Town directly benefits from those businesses locating within the Town or professionals moving to our neighborhoods who work at nearby corporations.

Long-Term Financial Planning

In FY 2015 the Town refunded the 2007 General Obligation bonds and realized interest savings in the amount of $218,561. Additionally, in FY 2015, the 4B Economic Development Corporation issued $2,690,000 in Certificates of Obligation for the purpose of economic development in town. In November of 2015, residents approved a $5.4M General Obligation bond package for the

construction of a new joint Town Hall and Police Facility. The Town plans to issue a total of $9.8M in debt in 2016 for the joint facility and street and drainage improvements. In December of 2015, the Town refunded the Trophy Club Public Improvement District #1 (PID) bonds which will help residents of the PID realize over $16.4M in savings over the life of the debt.

Budgeting Process

The Town of Trophy Club uses a program-based budgeting process. Each budgeting unit provides for the expenditures associated with services and supplies appropriated for in the prior year budget. Personnel expenditures are compiled by the Finance and Human Resource departments. Any funding request that represents new expenditures and programs must be submitted as a separate supplemental request. Capital items are funded based on a replacement schedule, need, and available resources.

Revenue Projection

The budget revenue projections for the new fiscal year begin early in the current fiscal year. The projections are made by the departments responsible for the revenues with help from the Finance staff. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff members. Although revenue projections are prepared early in the budget process, the budget revenue analysis continues with departmental budget development and extends until the budget is adopted based upon any new information.

Proposed Budget Analysis/Compilation

The Finance Department reviews and compiles a preliminary departmental budget to present to the Budget Team, which is comprised of the Town Manager, Assistant Town Manager/CFO, Controller, and Strategic Services Coordinator. During Budget Team discussions, each department director answers questions from the entire group concerning their budget.

Given revenue projections and baseline funding requirements, budget funding changes are made according to necessity and priority. A total recommended funding level is determined and is weighed against available resources.

Proposed Budget Development

The Town Manager, no later than July 31 each year (Charter Section 9.02), shall prepare and submit to the Town Secretary, the annual budget covering the next fiscal year. The Town Manager's proposed budget should assume, for each fund, operating revenues and resources that are equal to, or exceed operating expenditures. The Town Manager's budget message summarizes funding requirements, major changes in programs, and alternatives for funding.

Town Council Budget Study

Each fund's information, supplemental items, capital replacement data, and the five-year capital improvement program are presented individually to the Council during Council meetings from May until the budget is adopted. This approach allows the Council to discuss items and give direction prior to the proposed budget being submitted.

Capital Program

The Town Manager shall prepare and submit to the Council a five (5) year capital program no later than three months before the final date for submission of the budget. The capital program shall be revised and extended each year with regard to capital improvements still pending or in process of construction or acquisition (Charter Section 9.08).

Public Hearing/Budget Adoption

A public hearing on the proposed budget and two public hearings on the tax rate (if applicable) are held in August and September prior to final budget consideration. At the public hearings, citizens may make formal comments concerning the proposed budget. The public also has the opportunity to attend Town Council budget work sessions from May through budget adoption.

Budget adoption occurs in September after Town Council deliberations and the public hearing(s). The Town Council adopts a tax rate to support adopted funding levels. Pursuant to Town Charter, the budget in place for the preceding year shall remain in place on a month-to-month basis until such time as a new budget has been adopted if no Town Council action is taken before the end of the fiscal year, September 30.

Compilation of Adopted Budget/Budget Maintenance

The adopted budget is compiled and published during the first months of the new fiscal year. The adopted budget in the form of an amended proposed budget is available for public inspection in October. Ledger accounts are prepared for the new fiscal year prior to October 1.

Budget maintenance is a year-round activity of divisions/departments and Finance Department staff. Other spending control mechanisms include monthly review of expenditures by Finance Department staff. During the budget process, departments make revenue and expenditure estimates for the current year.

Finally, program goals, objectives, and measures are evaluated during budget implementation to determine the effectiveness of program activities and levels of appropriate funding for subsequent years.

Relevant Financial Policies

During Fiscal Year 2010, the Town established a Cash Management Program and Policy for the purpose of ensuring adequate internal controls to account for the handling of Town cash and to maintain public trust.

Staff also created the Town's Investment Policy. The purpose of the investment policy was to comply with Chapter 2256 of the Government Code ("Public Funds Investment Act"), which requires the Town of Trophy Club to adopt a written investment policy regarding the investment of its funds and funds under its control. The Investment Policy addresses the methods, procedures, and practices that must be exercised to ensure effective and judicious fiscal management of Trophy Club's funds. The investment policy received the Government Treasurers' of Texas Certificate of Distinction for Investment Policy in June 2011.

The Town Council adopted a fund balance policy in September 2011, which established new fund balance categories (as recommended by Statement No. 54 of the Governmental Accounting Standards Board) and established a minimum unassigned fund balance goal (30% of annual operating expenditures).

In December 2013, Town Council adopted a debt management policy in order to provide parameters for the issuance and management of debt used to construct or acquire major capital assets.

Major Initiatives

The Town Council has continued its strategic planning process to identify goals and objectives for long range planning. Each year, the Council meets in strategic planning retreats to review and refine those goals. Management Team members utilize the strategic planning documents to help guide their budget planning and service/program implementation.

The Town recently completed Vision Trophy Club which was a citizen committee tasked with planning the next 20 years. It is anticipated that an updated Comprehensive Plan primarily focused on redevelopment will occur within the next two years.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Trophy Club for its CAFR for the fiscal year ended September 30, 2014. This was the fifth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the dedicated services of the entire staff of the Finance Department. We would also like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. Acknowledgement is also given to representatives of Weaver, LLP, Certified Public Accountants.

Special acknowledgement is given to the Mayor and the members of the Town Council for their support for maintaining the highest standards of professionalism in the management of the Town of Trophy Club finances.

Respectively submitted,

Stephen Seidel
Town Manager

Steven Glickman, CPA
Assistant Town Manager/CFO

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Trophy Club

Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

TOWN OF TROPHY CLUB

Organizational Chart

KEY OFFICIALS

Town Council

Pictured left to right: (seated) Council Member Jim Parrow, Mayor Nick Sanders, Mayor Pro Tem Greg Lamont, (standing) Council Member Garrett Reed, Council Member Rhylan Rowe, Council Member Tim Kurtz, and Council Member Philip Shoffner

Appointed Officials

Town Manager	**Stephen Seidel**
Town Attorney	**Patricia Adams**
Town Secretary	**Holly Fimbres**
Municipal Judge	**Honorable Mark Chambers**

Management Team

Assistant Town Manager/Chief Financial Officer	**Steven Glickman, CPA**
Emergency Medical Services & Fire Chief	**Danny Thomas**
Human Resources Manager	**Carmel Fritz**
Information Systems Director	**Mike Pastor**
Infrastructure & Development Services Manager	**Pat Cooke**
Parks & Recreation Director	**Adam Adams**
Police Chief	**Patrick Arata**
Public Information Officer/Marketing Manager	**April Reiling**

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor,
Town Council, and Town Manager
Town of Trophy Club, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Trophy Club (the Town), as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, as of September 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 14 to the financial statements, in 2015 the Town adopted new accounting guidance, GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27" and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5-11), TMRS pension schedules (pages 58-59), retiree health plan schedule of funding progress (page 60), and budgetary comparison information (pages 61-62) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

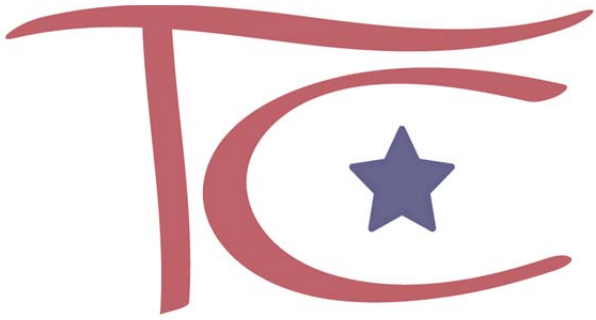
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 2016, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
March 11, 2016



TOWN OF
TROPHY CLUB

As management of the Town of Trophy Club, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town of Trophy Club for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the fiscal year ended September 30, 2015, by $57,884,288 (net position). Of this amount, $2,442,241 (unrestricted net position) may be used to meet the government's ongoing obligations to its citizens and creditors.

- The Town's total net position increased by $2,656,304 primarily as a result of developer contributions in the amount of $1,254,997 and operating grants in the amount of $550,495.

- The Town's governmental funds reported combined ending fund balances of $6,223,583.

- The unassigned portion of the General Fund balance at the end of the year was $3,261,235 or 40.8% of total General Fund expenditures.

- The governmental long-term debt obligations of the Town decreased by $908,000 during the fiscal year. This decrease was comprised primarily of debt service principal payments totaling $1,088,000 offset by the difference in new bonds issued of $2,030,000 and bonds retired of $1,850,000 in a refunding.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements--The government-wide financial statements are designed to provide readers with a broad overview of the Town of Trophy Club's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The Statement of Net Position presents information on all of the Town's assets, liabilities and deferred inflows/outflows with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide statements distinguish between governmental activities and business-type activities. Governmental activities primarily account for those activities supported by taxes and intergovernmental revenues. On the other hand, business-type activities are primarily supported by user fees and charges. Most Town services are reported in governmental activities while Proprietary Funds are reported in the business-type activities.

In the above statements, the Town's operations are presented as Governmental Activities - where most of the Town's basic activities are reported, including police, emergency medical services, community development, parks and recreation, streets, court, council and administration. Normally, these operations are financed by property taxes, sales taxes, and franchise fees.

The 4B Economic Development Corporation and Tax Increment Reinvestment Zone #1 are considered (discretely presented) component units of the Town. Their balances and activities have been combined and reported separately from those of the Town in the above statements.

Fund financial statements--The Town, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds-Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains eleven individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Debt Service Fund, the Capital Projects Fund, and the Grant Fund, all of which are considered to be major funds. Data from the other seven funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary funds-The Town maintains two proprietary funds: the Trophy Club Park Fund and the Town Storm Drainage Fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses proprietary funds to account for operations at Trophy Club Park and storm water operations. Proprietary fund financial statements provide the same type of information as the government-wide financial statements only in more detail.

Component units - The 4B Economic Development Corporation and Tax Increment Reinvestment Zone #1 are reported as discretely presented component units. Information on these component units is presented in the Statement of Net Position - Component Units and the Statement of Activities – Component Units.

The Town adopts annual appropriated budgets for the general fund, debt service fund and the Trophy Club Park Proprietary Fund. Budgets for capital projects funds are adopted on a project length basis. A budgetary comparison statement is provided for each budgeted governmental fund to demonstrate compliance with its budget.

Notes to the financial statements--The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-56.

Other information--In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information can be found after the notes to the financial statements on pages 58-62.

Government-wide Financial Analysis

At the end of fiscal year 2015, the Town's net position (assets exceeding liabilities) totaled $57,884,288. This analysis focuses on the net position (Table 1) and changes in net position (Table 2).

Net Position--The largest portion of the Town's net position, $54,615,787 or 94.35%, reflects its net investment in capital assets (land, buildings, improvements other than buildings, machinery and equipment, construction in progress), less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. A portion of the Town's net position, $826,260 or 1.43% represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $2,442,241 or 4.22% may be used to meet the government's ongoing obligations to citizens and creditors.

Table 1
Net Position

	Governmental Activities		Business Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Current and other assets	$ 7,597,775	$ 9,428,347	$ 532,217	$ 914,954	$ 8,129,992	$ 10,343,301
Capital assets	64,431,671	62,447,934	1,687,338	1,403,885	66,119,009	63,851,819
Total Assets	72,029,446	71,876,281	2,219,555	2,318,839	74,249,001	74,195,120
Total deferred outflows of resources	1,001,592	33,499	-	-	1,001,592	33,499
Long-term liabilities outstanding	14,528,397	13,560,104	1,454,619	1,599,038	15,983,016	15,159,142
Other liabilities	1,257,870	1,079,232	87,959	163,715	1,345,829	1,242,947
Total Liabilities	15,786,267	14,639,336	1,542,578	1,762,753	17,328,845	16,402,089
Total deferred inflows of resources	37,460	-	-	-	37,460	-
Net Position						
Net investment in capital assets	54,101,857	53,586,441	513,930	560,931	54,615,787	54,147,372
Restricted	826,260	564,472	-	-	826,260	564,472
Unrestricted	2,279,194	$ 3,119,531	163,047	(4,845)	2,442,241	3,114,686
Total Net Position	$ 57,207,311	$ 57,270,444	$ 676,977	$ 556,086	$ 57,884,288	$ 57,826,530

Changes in Net Position--The net position of the Town increased by $2,656,304 for the fiscal year ended September 30, 2015, exclusive of the cumulative effect of a change in accounting principle.

Governmental Activities. Governmental activities increased the Town's net position by $2,535,413 from the prior year. This was primarily the result of current period benefits changes to the Town's pension plan that reduced net pension liability by $1,544,038.

Business-type Activities. From the prior year, net position from business-type activities increased by $120,891. This increase is primarily due to a $174,827 increase in net position in the Town Storm Drainage fund despite a $27,350 transfer to other funds.

Table 2
Changes in Net Position

	Governmental Activities		Business Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Revenues:						
Program revenues:						
Charges for services	$ 1,454,680	$ 1,678,867	$ 484,874	$ 550,617	$ 1,939,554	$ 2,229,484
Operating grants and contributions	550,495	423,960	-	-	550,495	423,960
Capital grants and contributions	1,254,997	761,196	-	-	1,254,997	761,196
General revenues:						
Ad valorem taxes	6,689,869	5,955,398	-	-	6,689,869	5,955,398
Sales and mixed beverage taxes	1,104,298	965,969	-	-	1,104,298	965,969
Franchise taxes	762,699	784,758	-	-	762,699	784,758
Occupancy taxes	264,708	235,796	-	-	264,708	235,796
Investment income	10,922	4,973	143	25	11,065	4,998
Miscellaneous revenues	99,872	185,922	-	26,001	99,872	211,923
Total revenues	12,192,540	10,996,839	485,017	576,643	12,677,557	11,573,482
Expenses:						
General government	125,199	164,769	-	-	125,199	164,769
Town storm drainage	234,339	231,370	-	-	234,339	231,370
Emergency medical services	523,448	890,454	-	-	523,448	890,454
Manager's office	816,283	838,182	-	-	816,283	838,182
Human resources	74,861	74,282	-	-	74,861	74,282
Finance	299,044	393,946	-	-	299,044	393,946
Information systems	397,002	364,415	-	-	397,002	364,415
Legal	135,495	196,520	-	-	135,495	196,520
Police	1,713,150	2,147,093	-	-	1,713,150	2,147,093
Court	70,011	88,030	-	-	70,011	88,030
Recreation	487,874	564,180	-	-	487,874	564,180
Facilities management	108,065	81,550	-	-	108,065	81,550
Parks	1,766,108	1,991,664	-	-	1,766,108	1,991,664
Community development	436,090	358,334	-	-	436,090	358,334
Planning and zoning	-	261,875	-	-	-	261,875
Streets	1,716,531	1,764,396	-	-	1,716,531	1,764,396
Water and sewer	319,054	311,677	-	-	319,054	311,677
Interest on long-term debt	469,923	412,561	-	-	469,923	412,561
Trophy Club Park	-	-	123,445	134,625	123,445	134,625
Storm drainage	-	-	205,331	103,001	205,331	103,001
Total expenses	9,692,477	11,135,298	328,776	237,626	10,021,253	11,372,924
Increase (decrease) in net position before transfers	2,500,063	(138,459)	156,241	339,017	2,656,304	200,558
Transfers	35,350	28,607	(35,350)	(28,607)	-	-
Increase (decrease) in net position	2,535,413	(109,852)	120,891	310,410	2,656,304	200,558
Net Position - Beginning, as previously stated	57,270,444	57,541,169	556,086	283,440	57,826,530	57,824,609
Cumulative effect of change in accounting principle	(2,598,546)	(160,873)	-	(37,764)	(2,598,546)	(198,637)
Net Position - Ending	$ 57,207,311	$ 57,270,444	$ 676,977	$ 556,086	$ 57,884,288	$ 57,826,530

Financial Analysis of the Government's Funds

Governmental funds--The focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Town's financing requirements.

In particular, the unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported a combined fund balance of $6,223,583.

The General Fund is the main operating fund of the Town. At the end of the current fiscal year, the unassigned fund balance of the General Fund was $3,261,235. The fund balance of the General Fund increased by $646,168 during the fiscal year. The increase can be attributed to budgeted transfers out to the capital projects fund not occurring during the fiscal year. Revenue categories experiencing significant increases/decreases include:

- Property tax revenue increased from the previous year - $657,536
- Sales tax revenue increased from the previous year - $88,788
- Franchise tax revenue increased from the previous year - $38,431
- Licenses and permits decreased from the previous year - $206,873

The Debt Service Fund experienced an increase of $450 in fund balance. Funds are restricted for the payment of debt service. The Capital Projects Fund experienced a decrease in fund balance of $2,810,727, which is due to the construction of major capital assets with debt proceeds obtained in prior years. Other governmental funds had a total increase in fund balance of $257,312. This increase was primarily due to increased collection of hotel occupancy taxes.

In the General Fund, the Town originally budgeted for a fund balance decrease in the current year of $144,245. Due primarily to actual revenues being more than budgeted, expenditures being less than budgeted, and transfers out being less than budgeted, the actual budget basis fund balance variance from budget was an increase of $790,413 for fiscal year 2015.

Proprietary funds--The Town's proprietary funds provide the same type of information found in the government-wide statements, but in more detail.

The unrestricted net position of the Trophy Club Park Fund amounted to ($52,106) at year end while the unrestricted net position of the Town Storm Drainage Fund amounted to $215,153. Other factors concerning the finances of these two funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

Revenue: Significant variances between budgeted and actual revenues included: ad valorem taxes were $38,971 over budget; licenses and permits were ($13,253) under budget; revenues from sales and mixed beverage taxes were $53,377 over budget; revenues from charges for services were ($17,895) under budget; and miscellaneous revenue was ($29,557) under budget. Overall, in the general fund, actual revenues exceeded final budgeted amounts by $30,703.

Expenditures: Overall expenditures were below the budgeted amount by $374,710 in fiscal year 2015. The Police Department came in $57,502 under budget primarily due personnel expenditure savings. The Parks Department came in $32,870 under budget primarily due to personnel expenditure and capital outlay savings. The Manager's Office came in $40,101 under budget due to personnel expenditure savings. The Recreation Department had a budget savings of $66,753 due to decreased water usage and personnel savings. The Streets and Finance Departments had budget savings of $58,907 and $23,322 respectively, primarily due to personnel vacancies during the fiscal year.

Capital Assets

Capital Assets: The Town's investment in capital assets for its governmental and business-type activities as of September 30, 2015, amounts to $66,119,009 (net of accumulated depreciation). The investment in capital assets includes land, buildings, improvements other than buildings,

utility system, machinery and equipment, and construction in progress. The total increase in the Town's investment in capital assets for the current year was 3.6%.

Major capital asset events during the current fiscal year included the following:

- Construction in progress:
  - Pebble Beach, Timberline, and Pin Oak Reconstruction
  - Town Hall
- Completion of Indian Creek Drive reconstruction and Timber Ridge/Fresh Meadow drainage improvements
- Town Hall Land Purchase
- Completion of the Dino Playground at Freedom Park
- Bobcat Track Loader Purchase
- Energov software upgrade
- Laserfiche software purchase
- Two fully equipped Police vehicles
- Crosswalk flashers

Table 3
Capital Assets at Year-End
Net of Accumulated Depreciation

	Governmental Activities		Business Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
Land	$ 10,446,722	$ 9,099,889	$ -	$ -	$ 10,446,722	$ 9,099,889
Construction in progress	635,782	722,046	78,478	1,403,885	714,260	2,125,931
Buildings	1,258,309	1,308,939	-	-	1,258,309	1,308,939
Improvements other than buildings	36,324,178	35,370,104	-	-	36,324,178	35,370,104
Machinery and equipment	959,970	761,956	22,303	-	982,273	761,956
Vehicles	301,412	360,573	-	-	301,412	360,573
Water system	4,608,935	4,784,702	-	-	4,608,935	4,784,702
Infrastructure	9,896,363	10,039,725	1,586,557	-	11,482,920	10,039,725
Total	$ 64,431,671	$ 62,447,934	$ 1,687,338	$ 1,403,885	$ 66,119,009	$ 63,851,819

Additional information on the Town's capital assets can be found in Note 4 on pages 42-43 of this report.

Debt Administration

At the end of the current fiscal year, the Town of Trophy Club had total debt principal outstanding of $13,679,000. Of this amount, $8,305,000 comprises bonded debt backed by the full faith and credit of the Town and $5,374,000 represents contractual obligations.

The Town maintains fair ratings from bond rating agencies as follows:

Bond Ratings:

	Standard & Poor's	Moody's
General obligation bonds	AA+	Aa3
Contractual obligations	AA+	Aa3

The Town's General obligation, contractual obligations, compensated absence obligations, pension obligations, and OPEB obligations are as follows:

Table 4
Outstanding Debt at Year-End

	Governmental Activities		Business Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
General obligation bonds	$ 8,305,000	$ 9,035,000	$ -	$ -	$ 8,305,000	$9,035,000
Contractual obligations	3,954,000	4,132,000	1,420,000	1,560,000	5,374,000	5,692,000
Issuance premium	115,126	130,699	34,619	39,038	149,745	169,737
Net Pension Liability	1,851,461	3,316,112	-	-	1,851,461	3,316,112
OPEB Liability	72,816	57,136	-	-	72,816	57,136
Compensated absences	229,994	205,269	-	-	229,994	205,269
Totals	$ 14,528,397	$16,876,216	$ 1,454,619	$ 1,599,038	$15,983,016	$18,475,254

Additional information on the Town's long-term debt can be found in the Note 6 on pages 45-48 of this report.

Economic Factors and Next Year's Budgets and Rates

The Town continues to experience high residential growth as well as commercial and retail development. The Town issued 154 residential construction permits in FY 2015, a decrease of 75 from the previous year. The permits are averaging approximately $504,000. The Town budgeted for 100 residential building permits for FY16. Residential development is expected to decrease significantly beginning in FY 2016 as the Town approaches substantial build out.

In addition to the strong residential growth, the Town is experiencing commercial development as well. Two more hotels are set to open in FY 16 as well as three new destination restaurants that should provide increased sales tax revenue for the Town.

In fiscal year 2016, General Fund revenues are budgeted to increase 4.4% over FY 2015 estimated revenues while expenditures are budgeted to increase by 7.8% over FY 2015 estimated expenditures. For fiscal year 2016, Tarrant County and Denton County certified net freeze taxable property values of $1,380,460,699 which reflected an increase of 13.2% over the previous fiscal year 2015 net freeze taxable property values of $1,219,626,745. The fiscal year 2016 budget decreased the ad valorem tax rate to $0.484 per hundred dollars of assessed value, down from $0.490 in fiscal year 2015.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Trophy Club Assistant Town Manager, 100 Municipal Drive, Trophy Club, Texas, 76262. This information can also be accessed on the Town of Trophy Club's website at www.trophyclub.org.

BASIC FINANCIAL STATEMENTS

TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Current assets:				
Cash and cash equivalents	$ 7,190,165	$ 279,486	$ 7,469,651	$ 2,934,480
Sales taxes receivable	211,198	-	211,198	69,992
Ad valorem taxes receivable	68,861	-	68,861	4,211
Franchise fees receivable	74,811	-	74,811	-
Accounts receivable, net	195,911	34,494	230,405	-
Due from other governments	69,408	-	69,408	-
Internal balances	(214,395)	214,395	-	-
Prepaid items	1,816	3,842	5,658	-
Inventory	-	-	-	69,051
Total current assets	7,597,775	532,217	8,129,992	3,077,734
Noncurrent assets:				
Unamortized bond insurance	-	-	-	11,310
Capital Assets:				
Land	10,446,722	-	10,446,722	-
Construction in progress	635,782	78,478	714,260	-
Buildings	1,993,440	-	1,993,440	-
Improvements other than buildings	54,865,731	-	54,865,731	-
Machinery and equipment	2,012,512	24,112	2,036,624	-
Vehicles	1,154,666	-	1,154,666	-
Water System	5,362,005	-	5,362,005	-
Infrastructure	14,332,062	1,617,408	15,949,470	-
Accumulated depreciation	(26,371,249)	(32,660)	(26,403,909)	-
Total noncurrent assets	64,431,671	1,687,338	66,119,009	11,310
Total assets	72,029,446	2,219,555	74,249,001	3,089,044
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	191,004	-	191,004	-
Pension contributions after measurement date	688,749	-	688,749	-
Difference in projected and actual earnings on pension assets	121,839	-	121,839	-
Total deferred outflows of resources	1,001,592	-	1,001,592	-
LIABILITIES				
Current liabilities:				
Accounts payable	601,996	84,858	686,854	450
Accrued liabilities	361,411	-	361,411	-
Interest payable	32,911	3,101	36,012	8,335
Unearned revenue, franchise fees	261,552	-	261,552	-
Total current liabilities	1,257,870	87,959	1,345,829	8,785
Noncurrent liabilities:				
Debt due within one year	1,448,630	149,419	1,598,049	103,673
Debt due in more than one year	11,228,306	1,305,200	12,533,506	2,559,788
Net pension liability	1,851,461	-	1,851,461	-
Total noncurrent liabilities	14,528,397	1,454,619	15,983,016	2,663,461
Total liabilities	15,786,267	1,542,578	17,328,845	2,672,246
DEFERRED INFLOWS OF RESOURCES				
Difference in expected and actual pension experience	37,460	-	37,460	-
Total deferred inflows of resources	37,460	-	37,460	-
NET POSITION				
Net investment in capital assets	54,101,857	513,930	54,615,787	-
Restricted for:				
Anniversary Events	3,497	-	3,497	-
Court	43,422	-	43,422	-
Crime Control	134,265	-	134,265	-
Debt Service	100,627	-	100,627	-
Recreation programs	3,395	-	3,395	-
Street Maintenance	65,306	-	65,306	-
Tourism	475,748	-	475,748	-
Unrestricted	2,279,194	163,047	2,442,241	416,798
Total net position	$ 57,207,311	$ 676,977	$ 57,884,288	$ 416,798

The Notes to Basic Financial Statements are an integral part of this statement.

TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General Government	$ 125,199	$ 170,688	$ 99,964	$ 48,377
Emergency medical services	523,448	154,325	-	-
Manager's office	816,283	5,250	-	-
Human resources	74,861	-	-	-
Finance	299,044	16,712	-	-
Information Services	397,002	-	-	-
Legal	135,495	-	-	-
Court	70,011	130,999	-	-
Police	1,713,150	4,091	250,470	-
Recreation	487,874	270,037	-	-
Facilities management	108,065	-	-	-
Parks	1,766,108	-	-	-
Community Development	436,090	702,578	-	-
Streets	1,716,531	-	200,061	970,613
Water and sewer	319,054	-	-	-
Interest on long-term debt	469,923	-	-	-
Town Storm Drainage	234,339	-	-	236,007
Total governmental activities	9,692,477	1,454,680	550,495	1,254,997
Business-type activities:				
Storm Drainage Utility	205,331	407,371	-	-
Trophy Club Park	123,445	77,503	-	-
Total business-type activities	328,776	484,874	-	-
Total primary government	$ 10,021,253	$ 1,939,554	$ 550,495	$ 1,254,997
Component units:				
Economic Development Corporation	$ 299,491	$ -	$ -	$ -
TIRZ #1	-	-	-	-
Total component units	$ 299,491	$ -	$ -	$ -

General revenues and transfers:	
Ad valorem taxes	
Sales and mixed beverage taxes	
Franchise taxes	
Occupancy taxes	
Investment income	
Miscellaneous revenues	
Transfers	
Total general revenues and transfers	
Change in net position	
Net position - beginning, as previously stated	
Cumulative effect of change in accounting principle	
Net position - ending	

The Notes to Basic Financial Statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ 193,830	$ -	$ 193,830	$ -
(369,123)	-	(369,123)	-
(811,033)	-	(811,033)	-
(74,861)	-	(74,861)	-
(282,332)	-	(282,332)	-
(397,002)	-	(397,002)	-
(135,495)	-	(135,495)	-
60,988	-	60,988	-
(1,458,589)	-	(1,458,589)	-
(217,837)	-	(217,837)	-
(108,065)	-	(108,065)	-
(1,766,108)	-	(1,766,108)	-
266,488	-	266,488	-
(545,857)	-	(545,857)	-
(319,054)	-	(319,054)	-
(469,923)	-	(469,923)	-
1,668	-	1,668	-
(6,432,305)	-	(6,432,305)	-
-	202,040	202,040	-
-	(45,942)	(45,942)	-
-	156,098	156,098	-
(6,432,305)	156,098	(6,276,207)	-
$ -	$ -	$ -	$ (299,491)
-	-	-	-
$ -	$ -	$ -	(299,491)
6,689,869	-	6,689,869	10,273
1,104,298	-	1,104,298	365,764
762,699	-	762,699	-
264,708	-	264,708	-
10,922	143	11,065	537
99,872	-	99,872	-
35,350	(35,350)	-	-
8,967,718	(35,207)	8,932,511	376,574
2,535,413	120,891	2,656,304	77,083
57,270,444	556,086	57,826,530	339,715
(2,598,546)	-	(2,598,546)	-
$ 57,207,311	$ 676,977	$ 57,884,288	$ 416,798

TOWN OF TROPHY CLUB, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	General	Debt Service
ASSETS		
Cash and cash equivalents	$ 4,289,917	$ 118,596
Ad Valorem taxes receivable	53,919	14,942
Sales taxes receivable	141,961	-
Franchise taxes receivable	74,811	-
Accounts, net	164,773	-
Due from other governments	69,408	-
Due from other Funds	77,276	-
Prepaids	1,816	-
Total assets	$ 4,873,881	$ 133,538
LIABILITIES		
Accounts Payable	$ 422,350	$ -
Accrued liabilities	361,411	-
Due to other funds	3,142	-
Unearned revenue	261,552	-
Total liabilities	1,048,455	-
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-ad valorem taxes	54,084	14,996
Unavailable revenue-court fines	705	-
Unavailable revenue-emergency medical services	76,458	-
Unavailable revenue-property liens	2,990	-
Total deferred inflows of resources	134,237	14,996
FUND BALANCES (DEFICITS)		
Nonspendable for:		
Prepaids	1,816	-
Restricted for:		
Debt Service	-	118,542
Capital projects	-	-
Tourism	-	-
Street maintenance	-	-
Crime control and prevention	-	-
Anniversary	-	-
Court	-	-
Committed for:		
Police	200,000	-
Recreation programs	-	-
Assigned for:		
Capital expenditures	228,138	-
Unassigned	3,261,235	-
Total fund balances (deficits)	3,691,189	118,542
Total liabilities, deferred inflows of resources, and fund balances (deficits)	$ 4,873,881	$ 133,538

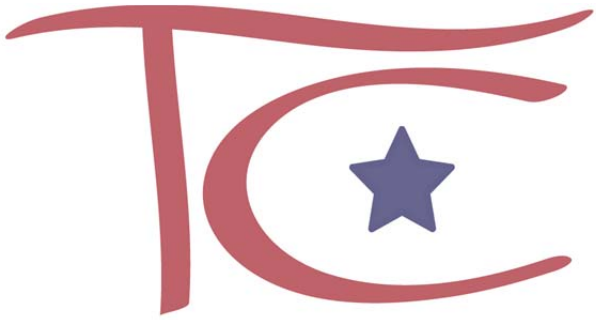
The Notes to Basic Financial Statements are an integral part of this statement.

Capital Projects	Grant	Total Nonmajor Governmental Funds	Total Governmental Funds
$ 2,147,705	$ 4,134	$ 629,813	$ 7,190,165
-	-	-	68,861
-	-	69,237	211,198
-	-	-	74,811
-	-	31,138	195,911
-	-	-	69,408
-	-	3,142	80,418
-	-	-	1,816
$ 2,147,705	$ 4,134	$ 733,330	$ 7,892,588
$ 171,949	$ -	$ 7,697	$ 601,996
-	-	-	361,411
281,210	10,461	-	294,813
-	-		261,552
453,159	10,461	7,697	1,519,772
-	-	-	69,080
-	-	-	705
-	-	-	76,458
-	-	-	2,990
-	-	-	149,233
-	-	-	1,816
-	-	-	118,542
1,694,546	-	-	1,694,546
-	-	475,748	475,748
-	-	65,306	65,306
-	-	134,265	134,265
-	-	3,497	3,497
-	-	43,422	43,422
-	-		200,000
-	-	3,395	3,395
-	-	-	228,138
-	(6,327)	-	3,254,908
1,694,546	(6,327)	725,633	6,223,583
$ 2,147,705	$ 4,134	$ 733,330	$ 7,892,588

TOWN OF TROPHY CLUB, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total fund balances of governmental funds		$6,223,583
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.		64,431,671
Long term liabilities are not due and payable in the current period and, therefore are not reported in the governmental fund financial statements. This amount is the net effect of:		
General Obligation Bonds	(8,305,000)	
Contractual Obligations	(3,954,000)	
Issuance premiums	(115,126)	
Net Pension liability	(1,851,461)	
OPEB liability	(72,816)	
Compensated absences	(229,994)	(14,528,397)
Deferred outflows (inflows) of resources not reported in the governmental funds:		
Deferred charge on refunding	191,004	
Pension contributions after measurement date	688,749	
Difference in projected and actual earnings on pension assets	121,839	
Difference in expected and actual pension experience	(37,460)	964,132
Interest payable on long-term debt does not require the use of current financial resources; therefore, interest payable is not reported as liability in the governmental funds balance sheet.		(32,911)
Revenues earned but not available within sixty days of year-end are not recognized as revenue in the fund financial statements.		149,233
Net position of governmental activities		$57,207,311

The Notes to Basic Financial Statements are an integral part of this statement.



TOWN OF
TROPHY CLUB

TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	General	Debt Service	Capital Projects
REVENUES			
Ad valorem taxes	$ 5,205,437	$ 1,507,275	$ -
Sales and mixed beverage taxes	751,510	-	-
Franchise taxes	811,052	-	-
Occupancy taxes	-	-	-
Licenses and permits	697,378	-	-
Intergovernmental	126,134	-	200,061
Charges for service	282,957	-	-
Fines and Fees	574,558	-	-
Investment income	7,829	350	2,066
Miscellaneous	88,993	-	-
Grant revenue	73,343	-	-
Total revenues	8,619,191	1,507,625	202,127
EXPENDITURES			
Current:			
General Government	-	-	38,558
Emergency medical services	824,881	-	-
Manager's office	1,030,977	-	-
Human resources	99,862	-	-
Finance	345,775	-	-
Information Services	400,866	-	-
Legal	176,384	-	-
Court	80,754	-	-
Police	1,971,431	-	-
Recreation	539,987	-	-
Facilities management	108,065	-	-
Parks	1,240,250	-	-
Community Development	516,035	-	-
Streets	346,965	-	-
Debt service:			
Bond Issuance Cost	-	42,736	-
Interest and Fiscal Charges	-	432,079	-
Principal retirement	-	1,088,000	-
Capital outlay:			
General Government	-	-	1,649,056
Emergency medical services	40,818	-	-
Information Services	108,436	-	-
Police	3,165	-	-
Parks	52,106	-	121,416
Community Development	46,461	-	-
Streets	50,805	-	1,203,824
Total expenditures	7,984,023	1,562,815	3,012,854
Excess (deficiency) of revenues over expenditures	635,168	(55,190)	(2,810,727)
OTHER FINANCING SOURCES (USES)			
Issurance of long-term debt	-	2,030,000	-
Payment to refund bond escrow agent	-	(2,026,710)	-
Transfers in	11,000	52,350	-
Transfers out	-	-	-
Total other financing source (uses)	11,000	55,640	-
Net change in fund balances	646,168	450	(2,810,727)
Fund Balances - beginning	3,045,021	118,092	4,505,273
Fund Balances - ending	$ 3,691,189	$ 118,542	$ 1,694,546

The Notes to Basic Financial Statements are an integral part of this statement.

Grant	Total Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ -	$ 6,712,712
-	352,788	1,104,298
-	-	811,052
-	264,708	264,708
-	-	697,378
-	-	326,195
-	10,054	293,011
-	6,090	580,648
6	670	10,921
-	10,879	99,872
74,348	-	147,691
74,354	645,189	11,048,486
-	72,960	111,518
-	-	824,881
-	-	1,030,977
-	-	99,862
-	-	345,775
-	-	400,866
-	-	176,384
-	5,921	86,675
-	13,645	1,985,076
-	18,967	558,954
-	-	108,065
-	-	1,240,250
-	-	516,035
-	132,512	479,477
-	-	42,736
-	-	432,079
-	-	1,088,000
-	-	1,649,056
-	-	40,818
-	-	108,436
74,348	115,872	193,385
-	-	173,522
-	-	46,461
-	-	1,254,629
74,348	359,877	12,993,917
6	285,312	(1,945,431)
-	-	2,030,000
-	-	(2,026,710)
-	-	63,350
-	(28,000)	(28,000)
-	(28,000)	38,640
6	257,312	(1,906,791)
(6,333)	468,321	8,130,374
$ (6,327)	$ 725,633	$ 6,223,583

TOWN OF TROPHY CLUB, TEXAS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances - total governmental funds		$ (1,906,791)
Amounts reported for governmental activities in the statement of net position are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays and developer infrastructure contributions exceeded depreciation expense in the current period.		
Capital outlays	3,466,307	
Asset retirements/disposals	(6,923)	
Developer infrastructure contributions	1,254,997	
Depreciation expense	(2,730,644)	1,983,737
The issuance of long term debt provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
2015 General obligation refunding bond proceeds	(2,030,000)	
Payment to refunding bond escrow agent	2,026,710	
Debt principal paid	1,088,000	1,084,710
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Amortization of premium	15,573	
Amortization of deferred loss on refunding	(19,205)	(3,632)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Ad valorem taxes	(22,843)	
Emergency medical services	(13,359)	
Franchise fees	(48,352)	
Property liens	(676)	
Court fines	(25,714)	(110,944)
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	(24,725)	
Pension costs, net	1,520,213	
Accrued interest	8,525	
OPEB	(15,680)	1,488,333
Change in net position of governmental activities		$ 2,535,413

The Notes to Basic Financial Statements are an integral part of this statement.

TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015

	Business-type Activities		
	Trophy Club Park	Storm Drainage Utility	Total Proprietary Funds
ASSETS			
Current assets:			
Cash and cash equivalents	$ 100	$ 279,386	$ 279,486
Accounts, net	1,026	33,468	34,494
Due from other funds	-	281,210	281,210
Prepaids	3,842	-	3,842
Total current assets	4,968	594,064	599,032
Noncurrent assets:			
Nondepreciable capital assets	-	78,478	78,478
Infrastructure	-	1,617,408	1,617,408
Machinery and Equipment	24,112	-	24,112
Accumulated Depreciation	(1,808)	(30,852)	(32,660)
Total noncurrent assets	22,304	1,665,034	1,687,338
Total assets	27,272	2,259,098	2,286,370
LIABILITIES			
Current liabilities:			
Accounts Payable	13,184	71,674	84,858
Due to other funds	66,194	621	66,815
Accrued Interest	-	3,101	3,101
Total current liabilities	79,378	75,396	154,774
Noncurrent liabilities:			
Debt due within one year	-	149,419	149,419
Debt due in more than one year	-	1,305,200	1,305,200
Total noncurrent liabilities	-	1,454,619	1,454,619
Total liabilities	79,378	1,530,015	1,609,393
NET POSITION			
Net investment in capital assets	-	513,930	513,930
Unrestricted	(52,106)	215,153	163,047
Total net position	$ (52,106)	$ 729,083	$ 676,977

The Notes to Basic Financial Statements are an integral part of this statement.

TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities		
	Trophy Club Park	Storm Drainage Utility	Total Proprietary Funds
OPERATING REVENUES			
Charges for service	$ 77,503	$ 407,371	$ 484,874
Total operating revenues	77,503	407,371	484,874
OPERATING EXPENSES			
Salaries and benefits	46,311	24,458	70,769
Supplies and materials	20,648	24,334	44,982
Repairs and maintenance	19,432	1,692	21,124
Utilities	8,901	-	8,901
Other operating expenses	28,153	129,058	157,211
Total operating expenses	123,445	179,542	302,987
Operating income (loss)	(45,942)	227,829	181,887
NONOPERATING REVENUES (EXPENSES)			
Interest and fiscal charges	-	(25,789)	(25,789)
Investment income	6	137	143
Total nonoperating revenues (expenses)	6	(25,652)	(25,646)
Income (loss) before transfers	(45,936)	202,177	156,241
Transfers out	(8,000)	(27,350)	(35,350)
Change in net position	(53,936)	174,827	120,891
Total net position - beginning	1,830	554,256	556,086
Total net position - ending	$ (52,106)	$ 729,083	$ 676,977

The Notes to Basic Financial Statements are an integral part of this statement.

TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	Business-type Activities		
	Trophy Club Park	Storm Drainage Utility	Total Proprietary Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	$ 76,477	$ 407,572	$ 484,049
Other payments	(1,808)	(30,852)	(32,660)
Payments to employees	(46,310)	(24,457)	(70,767)
Payments to suppliers	(64,008)	(206,836)	(270,844)
Net cash provided (used) by operating activities	(35,649)	145,427	109,778
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Repayments of amounts from other funds	26,497	483,966	510,463
Transfers to other funds	(8,000)	(27,350)	(35,350)
Net cash provided by noncapital financing activities	18,497	456,616	475,113
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of capital assets	(22,304)	(261,150)	(283,454)
Interest and fiscal charges paid on debt	-	(33,349)	(33,349)
Principal paid on debt	-	(140,000)	(140,000)
Net cash (used) by capital and related financing activities	(22,304)	(434,499)	(456,803)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment earnings	6	137	143
Net cash provided by investing activities	6	137	143
Net increase (decrease) in cash and cash equivalents	(39,450)	167,681	128,231
Balances - beginning of year	39,550	111,705	151,255
Balances - end of the year	$ 100	$ 279,386	$ 279,486
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating Income (loss)	$ (45,942)	$ 227,829	$ 181,887
Changes in assets and liabilities:			
Accounts Payable - Suppliers	9,991	(82,604)	(72,613)
Customer Receivables	(1,026)	202	(824)
Inventory	1,328	-	1,328
Net cash provided (used) by operating activities	$ (35,649)	$ 145,427	$ 109,778

The Notes to Basic Financial Statements are an integral part of this statement.

TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUND
SEPTEMBER 30, 2015

	Agency Fund PID No. 1 Debt Service
ASSETS	
Cash and cash equivalents	$ 4,229,068
Total assets	4,229,068
LIABILITIES	
Due to debt holders	4,229,068
Total liabilities	$ 4,229,068

The Notes to Basic Financial Statements are an integral part of this statement.

TOWN OF TROPHY CLUB, TEXAS
COMBINING STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
SEPTEMBER 30, 2015

	4B Economic Development Corporation	Tax Increment Reinvestment Zone #1	Total Component Units
ASSETS			
Current assets:			
Cash and cash equivalents	$ 2,928,418	$ 6,062	$ 2,934,480
Sales taxes receivable	69,992	-	69,992
Ad valorem taxes receivable	-	4,211	4,211
Inventory	69,051	-	69,051
Total current assets	3,067,461	10,273	3,077,734
Noncurrent assets:			
Unamortized bond insurance	11,310	-	11,310
Total noncurrent assets	11,310	-	11,310
Total assets	3,078,771	10,273	3,089,044
LIABILITIES			
Current liabilities:			
Accounts payable	450	-	450
Interest payable	8,335	-	8,335
Total current liabilities	8,785	-	8,785
Noncurrent liabilities:			
Debt due within one year	103,673	-	103,673
Debt due in more than one year	2,559,788	-	2,559,788
Total noncurrent liabilities	2,663,461	-	2,663,461
Total liabilities	2,672,246	-	2,672,246
NET POSITION			
Unrestricted	406,525	10,273	416,798
Total net position	$ 406,525	$ 10,273	$ 416,798

The Notes to Basic Financial Statements are an integral part of this statement.

TOWN OF TROPHY CLUB, TEXAS
COMBINING STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Net (Expense) Revenue and Changes in Net Position: 4B Economic Development Corporation	Tax Increment Reinvestment Zone #1	Total Component Units
Economic Development Corporation					
4B Economic Development Corp.	$ 299,491	$ -	$ (299,491)	$ -	$ (299,491)
Total Economic Development Corporation	299,491	-	(299,491)	-	(299,491)
Tax Increment Investment Zone #1	-	-	-	-	-
Total Tax Increment Reinvestment Zone #1	-	-	-	-	-
Total component units	$ 299,491	$ -	$ (299,491)	$ -	$ (299,491)
General revenues:					
Ad valorem			-	10,273	10,273
Sales and mixed beverage taxes			365,764	-	365,764
Investment income			537	-	537
Total general revenues			366,301	10,273	376,574
Change in net position			66,810	10,273	77,083
Net position - beginning			339,715	-	339,715
Net position - ending			$ 406,525	$ 10,273	$ 416,798

The Notes to Basic Financial Statements are an integral part of this statement.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. General Statement

The Town of Trophy Club (the "Town") is a "home rule town" incorporated in 1985. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: council, public safety (police and emergency medical services), parks, public works (public improvements, streets, planning and zoning), and general administrative services.

The accounting and reporting policies of the Town relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB). The more significant accounting policies of the Town are described below.

B. Financial Reporting Entity

The Town of Trophy Club is a municipal corporation governed by an elected mayor and a six-member council. The accompanying financial statements present the government and its component units, entities for which the government is considered financially accountable. Blended component units, although legally separate entities, are, in substance, part of the government's operations. Discretely presented component units are reported in separate columns in the government-wide financial statements to emphasize that they are legally separate from the government.

As required by accounting principles generally accepted in the United States of America, these financial statements include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The definition of the reporting entity is based primarily on the notion of financial accountability. A primary government is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

B. Financial Reporting Entity – Continued

The following entities were found to be discretely presented component units of the Town and are included in the financial statements:

Discretely Presented Component Units

The 4B Economic Development Corporation (4B) serves all citizens of the Town and is governed by a board appointed by the Town's elected council. The Town can impose its will on the 4B and affect the day-to-day operations of the 4B by removing appointed board members at will. The scope of public service of the 4B benefits the Town and its citizens and is operated within the geographic boundaries of the Town.

The Tax Increment Investment Zone #1 (TIRZ #1) serves all citizens of the Town and is governed by a board appointed by the Town's elected council. The Town can impose its will on the TIRZ #1 and affect the day-to-day operations of the TIRZ #1 by removing appointed board members at will. The scope of public service of the TIRZ #1 benefits the Town and its citizens and is operated within the geographic boundaries of the Town.

Separate financial statements for the individual component units are not prepared.

Blended Component Units

The Crime Control and Prevention District (CCPD) was formed under Chapter 363 of the Texas Local Government Code, the Crime Control and Prevention Act. The CCPD is organized exclusively to act on behalf of the Town to finance crime control within the Town. The CCPD is governed by a seven member board appointed by the Town Council. The annual budget and issuance of debt must be approved by the Town Council. Since the CCPD provides services entirely to the Town, it has been reported as a blended component unit.

C. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. As a general rule, the effect of interfund activity has been removed from these statements. However, interfund services provided and used are not eliminated in the consolidation process. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Government-Wide and Fund Financial Statements – Continued

Fund Financial Statements

The Town segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental, proprietary and fiduciary activities. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. A separate financial statement is provided for the agency fund even though it is excluded from the government-wide statements.

1. Governmental Funds:

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources.

The Town has presented the following major governmental funds:

General Fund

The General Fund is the main operating fund of the Town. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on long-term debt paid primarily from taxes levied by the Town. The fund balance of the Debt Service Fund is restricted to signify the amounts that are restricted exclusively for debt service expenditures.

Capital Projects Fund

The Capital Projects Fund is used to account for funds received and expended for acquisition and construction of infrastructure and other capital assets.

Grant Fund

This fund is used to account for grant monies received by and expended by the Town.

In addition, the Town reports the following non-major governmental funds:

Hotel Occupancy Tax Fund

This fund is used to account for local hotel and motel occupancy tax receipts, as well as expenses (events).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Government-Wide and Fund Financial Statements – Continued

Fund Financial Statements – Continued

Street Maintenance Sales Tax Fund

Accounts for sales taxes specifically restricted for street improvements.

Anniversary Fund

Accounts for contributions restricted for the Town's 25th anniversary celebration.

Court Technology Fund

Accounts for court fees specifically restricted for court technology expenses.

Court Security Fund

Accounts for court fees specifically restricted for court security expenses.

Crime Control and Prevention District Fund

Accounts for sales taxes specifically restricted for crime control and prevention.

Recreation Programs Fund

Accounts for revenues and expenditures associated with recreational programs.

2. Proprietary Funds:

Proprietary Funds are accounted for using an economic resources measurement focus. The accounting objectives are a determination of net income, financial position, and changes in cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its statement of net position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Trophy Club Park enterprise fund and the Town Storm Drainage enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and service, administrative expenses, and repairs and maintenance. All revenues and expenses not meeting the above definitions are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

The Town has presented the following major Proprietary funds:

Trophy Club Park Fund

This fund is utilized to account for funds received and expended for the maintenance of park land.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

C. Government-Wide and Fund Financial Statements – Continued

Town Storm Drainage Fund

Accounts for the storm drainage utility fee designated for the maintenance of the Town's storm drainage system.

3. Fiduciary Funds:

The Town reports the following fiduciary fund:

Public Improvement District (PID) No. 1 Debt Service Agency Fund

This fund accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the Town as an agent for the Public Improvement District.

D. Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The governmental, government-wide, and proprietary fund financial statements follow the accounting set forth by the Government Accounting Standards Board.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. The fiduciary fund financial statements are reported using the accrual basis of accounting, but have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers receivables collected within sixty days after year-end to be available and recognizes them as revenues of the current year. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise taxes, licenses, charges for service, interest income and intergovernmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

E. Cash and Investments

The Town's cash and cash equivalents includes cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Because the Town, at its option, can withdraw funds within a twenty-four hour period from TexPool, these investments are considered to be cash equivalents.

State statutes authorize the Town to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) – (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the Town, and placed through a primary government securities dealer. The Town's investments are governed by the same state statutes.

All investments are recorded at fair value based on quoted market prices. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties.

F. Prepaid Items

Prepaid items represent costs such as postage deferred to subsequent periods.

G. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the governmental and business-type activities columns in the government-wide financial statements as well as in the proprietary fund financial statements. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest in the amount of $5,613 was capitalized during the current fiscal year.

Assets capitalized, not including infrastructure assets, have an original cost of $5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	30 Years
Improvements other than buildings	10-30 Years
Improvements other than buildings (streets)	30 Years
Machinery and equipment	7-15 Years
Vehicles	5-10 Years
Water system	25 Years
Infrastructure (storm drainage system)	40 Years

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

H. Accumulated Vacation, Compensated Time and Sick Leave

It is the Town's policy to permit employees to accumulate earned but unused vacation pay benefits. No liability is reported for unpaid accumulated sick leave. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations and retirements.

I. Long-Term Obligations

In the government-wide financial statements and fund financial statements for proprietary funds, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Bond premiums and discounts, as well as any deferred loss on the refunding of bonds are amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums and discounts received on debt issuances are reported as other financing sources or uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

J. Fund Equity

The Town has adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions.* The objective of the statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing government fund type definitions. The statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe the constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications under GASB 54 are Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Nonspendable fund balance represents fund balance that is (a) not in a spendable form such as prepaid items or (b) legally or contractually required to be maintained intact such as an endowment.

Restricted fund balance consists of amounts that can be spent only on the specific purposes stipulated by law or by the external providers of those resources.

Committed fund balances are self-imposed limitations set in place prior to the end of the fiscal period. These amounts can be used only for the specific purposes determined and approved by formal action of the Town Council, which is the highest level of decision-making authority for the Town. The same level of formal action is required to remove the constraint.

Assigned fund balance consists of amounts that are subject to a purpose constraint that represents an intended use established by the Town Council or by their designated body or the Assistant Town Manager/CFO. The intention of use must be provided, in writing, by the Town Council or their designated body to the Assistant Town Manager/CFO, or by the Assistant Town Manager/CFO to the Town Council or their designated body.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

J. Fund Equity – Continued

Unassigned fund balance represents the residual classification of fund balance and includes all spendable amounts not contained within the other classifications. When multiple categories of fund balance are available for expenditure, the Town will start with the most restricted category and spend those funds first before moving down to the next category with available funds. Additionally, the implementation of GASB No. 54 required the Town to evaluate the classification of Special Revenue Funds. In accordance with GASB No. 54 Special Revenue Funds are used only to account for specific revenue sources that are externally restricted or committed by the government's highest level of decision making authority for specific purposes other than debt service or capital projects.

K. Deferred outflows/ inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Town has three items that qualify for reporting in this category. They include the deferred charge on refunding reported in the government-wide statement of net position, pension plan contributions made after December 31st, 2014 reported in the government-wide statement of net position, and pension plan investment experience reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Pension plan contributions made after the pension plan's measurement period of December 31st, 2014 are recorded as a deferred outflow. Investment experience is the difference in projected and actual earnings on pension plan investments and is reported as a deferred outflow.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has two types of this item, one which arises only under a modified accrual basis of accounting that qualifies for reporting in this category and one that arises under a full accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from four sources: property taxes, court fines, emergency medical services, and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Deferred inflows are recognized on the statement of net position in relation to pension plan actuarial gains or losses associated with the difference in expected and actual experience.

L. Net Position

In the government-wide financial statements, net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

NOTE 2. CASH AND INVESTMENTS

At September 30, 2015, the carrying amount of the Town's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was $6,287,451 and the respective bank balances were $6,401,482. The Town's cash on hand totaled $802. The Town's cash deposits at September 30, 2015 and during the year ended September 30, 2015 were entirely covered by FDIC insurance or by pledged collateral held by the Town's agent bank in the Town's name.

Legal and contractual provisions governing deposits and investments

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the Town to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, and (8) investment staff quality and capabilities.

Statutes and the Town's investment policy authorize the Town to invest in the following investments as summarized in the table below:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	2 years	85%	NA
U.S. Agencies Securities	2 years	85%	NA
State of Texas Securities	2 years	85%	NA
Certificates of Deposits	2 years	85%	NA
Municipal Securities	2 years	85%	NA
Money Market	2 years	50%	NA
Mutual Funds	2 years	50%	NA
Investment pools	2 years	100%	NA

The Act also requires the Town to have independent auditors perform test procedures related to investment practices as provided by the Act. The Town is in substantial compliance with the requirements of the Act and with local policies.

Cash and investments as of September 30, 2015 are classified in the accompanying financial statements as follows:

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Statement of Net Position	
Primary Government:	
Cash and cash equivalents	$ 7,469,651
Fiduciary Fund:	
Cash and cash equivalents	4,229,068
Component Unit:	
Cash and cash equivalents	2,934,480
Total cash and cash equivalents	$ 14,633,199

Cash on hand	$ 802
Deposits with financial institutions	6,287,451
Investments	8,344,946
Total cash and investments	$ 14,633,199

Disclosures relating to interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Town manages its exposure to interest rate risk is by investing mainly in investment pools which purchase a combination of shorter term investments with an average maturity of less than 60 days, thus reducing the interest rate risk. The Town monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The Town has no specific limitations with respect to this metric.

As of September 30, 2015, the Town had the following investments:

Local Government Investment Pool	Amount	Weighted Average Maturity
Lone Star	$ 1,580,537	37 days
LOGIC	1,959,643	37 days
TexPool	4,804,766	40 days
Total Investments	$ 8,344,946	

As of September 30, 2015, the Town did not invest in any securities which are highly sensitive to interest rate fluctuations.

NOTE 2. CASH AND INVESTMENTS – CONTINUED

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the Public Funds Investment Act, the Town's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Local Government Investment Pool	Minimum Legal Rating	Rating as of Year End
Lone Star	AAAm	AAAm
LOGIC	AAAm	AAAm
TexPool	AAAm	AAAm

Concentration of credit risk

The investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. As of September 30, 2015, other than external investment pools, the Town did not have 5% or more of its investment with one issuer.

Custodial credit risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The Public Funds Investment Act and the Town's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The Public Funds Investment Act requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least the bank balance less FDIC insurance at all times.

As of September 30, 2015, the Town deposits with financial institutions in excess of federal depository insurance limits were fully collateralized.

Investment in state investment pools

The Town is a voluntary participant in TexPool, LOGIC, and Lone Star investment pools.

The Texas Local Government Investment Pools (TexPool) have been organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. These two acts provide for the creation of public funds investment pools and permit eligible governmental entities to jointly invest their funds in authorized investments.

NOTE 2. CASH AND INVESTMENTS – CONTINUED

The Comptroller of Public Accounts is the sole officer, director and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate the TexPool Portfolios. Pursuant to the TexPool Participation Agreement, administrative and investment services to the TexPool Portfolios are provided by Federated Investors, Inc., under an agreement with the Comptroller, acting on behalf of the Trust Company. The TexPool Portfolios are comprised of two investment alternatives: TexPool and TexPool Prime. This Information Statement relates only to TexPool. TexPool may invest in obligations of the United States Government or its agencies and instrumentalities, and repurchase agreements.

The Comptroller maintains oversight of the services provided to the TexPool Portfolios by Federated. In addition, the TexPool Advisory Board advises on the Investment Policies for the TexPool Portfolios and approves any fee increases. As required by the Public Funds Investment Act, the Advisory Board is composed equally of participants in the TexPool Portfolios and other persons who do not have a business relationship with the TexPool Portfolios who are qualified to advise the TexPool Portfolios.

Local Government Investment Cooperative (LOGIC) was organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Public Funds Investment Act allows eligible local governments, state agencies, and nonprofit corporations of the State of Texas to jointly invest their funds in permitted investments.

LOGIC's governing body is a five-member Board of Directors comprised of employees, officers or elected officials of participant Government Entities or individuals who do not have a business relationship with the Cooperative and are qualified to advise it. A maximum of two advisory board members represent the Co-Administrators of the Cooperative.

The Lone Star Investment Pool is a public funds investment pool created pursuant to the Interlocal Cooperation Act, Texas Government Code, Chapter 791, and the Public Funds Investment Act, Texas Government Code, Chapter 2256. The objective of the Pool is to maintain the safety of principal, while providing participating government entities with the highest possible rate of return for invested funds. Participants in the Pool own pro rata interests in the underlying assets of the fund in which they participate. A Participant's sole source of payment from its investment in the Pool is the market value of such assets; although the Pool seeks to preserve the value of a Participant's investment, it is possible to lose money by investing in the Pool.

NOTE 3. RECEIVABLES

Year-end receivable balances for the government's individual major funds, nonmajor governmental funds in the aggregate, individual business-type activities, and individual component units, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Funds	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Activities
Receivables				
Property taxes	$ 53,919	$ 14,942	$ -	$ 68,861
Franchise taxes	74,811	-	-	74,811
Sales taxes	141,961	-	69,237	211,198
Hotel occupancy taxes	-	-	24,232	24,232
Accounts	442,463	-	6,906	449,369
Gross receivables	713,154	14,942	100,375	828,471
Less: allowance	(277,690)	-	-	(277,690)
Net total receivables	$ 435,464	$ 14,942	$ 100,375	$ 550,781

The September 30, 2015 Due from Other Governments of governmental activities balance is comprised of $236 due from the PID administrator for purchases made by the Town and $69,172 due from Trophy Club Municipal Utility District No. 1 for permitting services rendered and Fire payroll reimbursements.

Business-Type Activities	Storm Drainage Utility	Trophy Club Park	Total Business-Type Activities
Receivables			
Accounts	$ 33,468	$ 1,026	$ 34,494
Gross receivables	33,468	1,026	34,494
Less: allowance	-	-	-
Net total receivables	$ 33,468	$ 1,026	$ 34,494

NOTE 3. RECEIVABLES - CONTINUED

Component Units	Economic Development Corporation (EDC 4B)	Tax Increment Reinvestment Zone #1 (TIRZ #1)	Total Component Units
Receivables			
Property taxes	$ -	$ 4,211	$ 4,211
Sales taxes	69,992	-	69,992
Gross receivables	69,992	4,211	74,203
Less: allowance	-	-	-
Net total receivables	$ 69,992	$ 4,211	$ 74,203

NOTE 4. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015, was as follows:

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Governmental Activities:				
Capital assets not depreciated:				
Land	$ 9,099,889	$ 1,346,833	$ -	$ 10,446,722
Construction in progress	722,046	1,627,462	(1,713,726)	635,782
Total capital assets not depreciated	9,821,935	2,974,295	(1,713,726)	11,082,504
Capital assets being depreciated:				
Buildings	1,993,440	-	-	1,993,440
Improvements other than buildings	52,070,710	1,081,295	1,713,726	54,865,731
Machinery and equipment	1,814,415	354,856	(156,759)	2,012,512
Vehicles	1,096,062	74,851	(16,247)	1,154,666
Water system	5,362,005	-	-	5,362,005
Infrastructure	14,096,106	236,007	(51)	14,332,062
Total capital assets being depreciated	76,432,738	1,747,009	1,540,669	79,720,416
Less accumulated depreciation for:				
Buildings	(684,501)	(50,630)	-	(735,131)
Improvements other than buildings	(16,700,606)	(1,840,947)	-	(18,541,553)
Machinery and equipment	(1,052,459)	(149,970)	149,887	(1,052,542)
Vehicles	(735,489)	(134,012)	16,247	(853,254)
Water system	(577,303)	(175,767)	-	(753,070)
Infrastructure	(4,056,381)	(379,318)	-	(4,435,699)
Total accumulated depreciation	(23,806,739)	(2,730,644)	166,134	(26,371,249)
Total capital assets being depreciated, net	52,625,999	(983,635)	1,706,803	53,349,167
Governmental activities capital assets, net	$ 62,447,934	$ 1,990,660	$ (6,923)	$ 64,431,671

NOTE 4. CAPITAL ASSETS - CONTINUED

Depreciation expense was charged as direct expense to programs of the primary government as follows:

General government	$ 39,506
Emergency medical services	50,036
Information systems	27,950
Police	101,081
Parks and recreation	687,692
Community development	26,299
Streets and drainage	1,479,025
Water and sewer	319,054
Total depreciation expense	$ 2,730,644

	Beginning Balance	Additions	Retirements/ Transfers	Ending Balance
Business-Type Activities:				
Capital assets not depreciated:				
Construction in progress	$ 1,403,885	$ 334,686	$ (1,660,093)	$ 78,478
Total capital assets not depreciated	1,403,885	334,686	(1,660,093)	78,478
Capital assets being depreciated:				
Machinery and equipment	-	24,112	-	24,112
Infrastructure	-	-	1,617,408	1,617,408
Total capital assets being depreciated	-	24,112	1,617,408	1,641,520
Less accumulated depreciation for:				
Machinery and equipment	-	(1,808)	-	(1,808)
Infrastructure	-	(30,852)	-	(30,852)
Total accumulated depreciation	-	(32,660)	-	(32,660)
Total capital assets being depreciated, net	-	(8,548)	1,617,408	1,608,860
Business-type activities capital assets, net	$ 1,403,885	$ 326,138	$ (42,685)	$ 1,687,338

NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A summary of interfund receivables and payables balances at September 30, 2015 is as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Grant Fund	$ 10,461	Reimbursable expenditures moved to General Fund
General Fund	Trophy Club Park Fund	66,194	Flooding at park has created negative net position
General Fund	Storm Drainage Fund	621	Reimbursable expenditures moved to General Fund
Nonmajor Governmental Funds	General Fund	3,142	Reimbursable expenditures moved to Street Maintenance
Storm Drainage	Capital Projects	281,210	Storm Drainage Portion of 2013 CO Proceeds
	Total	$ 361,628	

Transfers between funds during the year are as follows:

Transfer In	Transfer Out	Amount	Purpose
Debt Service Fund	Storm Drainage Fund	$ 27,350	Debt Service
Debt Service Fund	Non-major Governmental Funds	25,000	Debt Service
General Fund	Trophy Club Park Fund	8,000	Administrative Support
General Fund	Non-major Governmental Funds	3,000	Administrative Support
	Total	$ 63,350	

NOTE 6. LONG-TERM DEBT

The Town periodically issues general obligation bonds and contractual obligations to provide funds for general government purposes. The Town also periodically utilizes notes and capital leases to provide financing for general government purposes.

At September 30, 2015, the Town's long-term debt consisted of the following:

Governmental Activities:

Description	Interest Rate	Year of Issue	Final Maturity	Original Amount	Balance 9/30/2015
General Obligation Bonds:					
Improvements	4.00-5.00 %	2007	2018	$ 3,260,000	$ 470,000
Improvements	3.00-4.13 %	2010	2030	5,000,000	4,170,000
Refunding	2.00-4.00 %	2010	2022	2,790,000	1,335,000
Tax notes	0.89% %	2014	2016	600,000	300,000
Refunding	2.18% %	2015	2025	2,030,000	2,030,000
					$ 8,305,000
Contractual Obligations:					
Combination Tax and Revenue-Series 2004	3.50-4.75 %	2004	2024	$ 650,000	$ 299,000
Certificates of Obligation Series 2013	2.50-3.25 %	2013	2028	1,300,000	1,230,000
Certificates of Obligation Series 2014	2.00-3.75 %	2014	2034	2,500,000	2,425,000
					$ 3,954,000

Business-type Activities:

Description	Interest Rate	Year of Issue	Final Maturity	Original Amount	Balance 9/30/2015
Contractual Obligations:					
Certificates of Obligation Series 2013	2.50-3.00 %	2013	2024	$ 1,700,000	$ 1,420,000
					$ 1,420,000

Component Units:

Description	Interest Rate	Year of Issue	Final Maturity	Original Amount	Balance 9/30/2015
Contractual Obligations:					
Certificates of Obligation Series 2015	1.00-4.75 %	2015	2035	$ 2,690,000	$ 2,690,000
					$ 2,690,000

NOTE 6. LONG-TERM DEBT - CONTINUED

In August, 2015 the Town issued $2,030,000 of Series 2015, General Obligation Refunding Bonds. The debt was issued to refund a portion of the Town's outstanding debt to achieve a present value debt service savings and maintain the Town's tax rate applicable to debt service at $0.11 per $100 of valuation. Net proceeds from the sale of the bonds totaled $2,030,000. Of these proceeds, $2,026,710 was placed with an escrow agent to provide for all future debt payments of the refunded bonds.

The refunding resulted in a decrease in the Town's debt service payments of $218,561, which resulted in an economic gain (difference between the present value of the debt service payments of the old debt and new debt) of $134,405.

In September, 2015 the Town in conjunction with the 4B Economic Development Corporation issued $2,690,000 in Certificates of Obligation for the purpose of economic development in Town. The obligations are payable over the next 20 years.

The following is a summary of long-term debt transactions of the Town for the year ended September 30, 2015:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 9,035,000	$ 2,030,000	$ (2,760,000)	$ 8,305,000	$ 1,175,000
Contractual Obligations	4,132,000	-	(178,000)	3,954,000	203,000
Issuance Premium	130,699	-	(15,573)	115,126	14,345
Net Pension Liability	3,316,112	-	(1,464,651)	1,851,461	-
OPEB Liability	57,136	15,680	-	72,816	-
Compensated Absences	205,269	226,487	(201,762)	229,994	56,285
Total Governmental Activities Long-term Liabilities	$ 16,876,216	$ 2,272,167	$ (4,619,986)	$ 14,528,397	$ 1,448,630

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities:					
Contractual Obligations	$ 1,560,000	$ -	$ (140,000)	$ 1,420,000	$ 145,000
Issuance Premium	39,038	-	(4,419)	34,619	4,419
Total Business-type Activities Long-term Liabilities	$ 1,599,038	$ -	$ (144,419)	$ 1,454,619	$ 149,419

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Component Units:					
Contractual Obligations	$ -	$ 2,690,000	$ -	$ 2,690,000	$ 105,000
Issuance Discount	-	(26,650)	111	(26,539)	(1,327)
Total Component Unit Long-term Liabilities	$ -	$ 2,663,350	$ 111	$ 2,663,461	$ 103,673

NOTE 6. LONG-TERM DEBT – CONTINUED

The annual requirements to amortize long-term debt outstanding of governmental activities as of September 30, 2015, are as follows:

General Obligation Bonds

Year Ending September 30,	Governmental Activities Principal	Governmental Activities Interest	Total Requirements
2016	$ 1,175,000	$ 269,229	$ 1,444,229
2017	585,000	241,430	826,430
2018	610,000	222,658	832,658
2019	630,000	203,036	833,036
2020	655,000	185,858	840,858
2021-2025	2,950,000	616,557	3,566,557
2026-2030	1,700,000	214,088	1,914,088
Total	$ 8,305,000	$ 1,952,857	$ 10,257,857

Contractual Obligations

Year Ending September 30,	Governmental Activities Principal	Governmental Activities Interest	Total Requirements
2016	$ 203,000	$ 121,114	$ 324,114
2017	213,000	115,673	328,673
2018	218,000	110,047	328,047
2019	223,000	104,294	327,294
2020	228,000	98,502	326,502
2021-2025	1,189,000	387,276	1,576,276
2026-2030	1,050,000	201,188	1,251,188
2031-2034	630,000	58,850	688,850
Total	$ 3,954,000	$ 1,196,946	$ 5,150,946

The annual requirements to amortize long-term debt outstanding of business-type activities as of September 30, 2015, are as follows:

Contractual Obligations

Year Ending September 30,	Business-type Activities Principal	Business-type Activities Interest	Total Requirements
2016	$ 145,000	$ 35,400	$ 180,400
2017	145,000	31,775	176,775
2018	150,000	28,088	178,088
2019	155,000	24,275	179,275
2020	155,000	20,400	175,400
2021-2024	670,000	38,869	708,869
Total	$ 1,420,000	$ 178,807	$ 1,598,807

NOTE 6. LONG-TERM DEBT – CONTINUED

The annual requirements to amortize long-term debt outstanding of component units as of September 30, 2015, are as follows:

Contractual Obligations

Year Ending September 30,	Compnent -Units Principal	Compnent -Units Interest	Total Requirements
2016	$ 105,000	$ 103,473	$ 208,473
2017	100,000	102,423	202,423
2018	100,000	100,823	200,823
2019	105,000	99,023	204,023
2020	105,000	96,555	201,555
2021-2025	580,000	430,168	1,010,168
2026-2030	710,000	303,475	1,013,475
2031-2035	885,000	130,150	1,015,150
Total	$ 2,690,000	$ 1,366,088	$ 4,056,088

The general fund has been used to liquidate compensated absences and capital lease liabilities.

NOTE 7. PROPERTY TAX

Property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all residential and commercial property located in the Town. Taxable assessed value represents the appraisal value less applicable exemptions authorized by the Town Council.

Taxes are due on October 1, the levy date, and are delinquent if unpaid by the following January 31; after which time the Town has an enforceable lien with respect to both real and personal property.

Under state law, property taxes levied on real property constitute a perpetual lien which cannot be forgiven without specific approval of the State Legislature. Penalties and interest are included for any payment received after January 31.

Property taxes at the fund level are recorded as receivables and deferred revenues at the time the taxes are assessed. Revenues are recognized as the related ad valorem taxes are collected. Additional amounts estimated to be collectible in time to be a resource for payment of obligations incurred during the fiscal year and therefore susceptible to accrual have been recognized as revenue. Property taxes are recorded net of the allowance for uncollectible taxes Uncollectible personal property taxes can be written off upon expiration of the five year statute of limitations.

NOTE 8. PENSION PLAN

Texas Municipal Retirement System

Plan Description and Benefits Provided

The Town of Trophy Club provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system.

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the town, within the options available in the state statutes governing TMRS.

NOTE 8. PENSION PLAN – CONTINUED

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the town-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and Town-financed monetary credits, with interest. Monetary credits for service since the plan began are a percentage (200%) of the employee's accumulated contributions.

In addition, the Town can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and the Town matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

The plan provisions are adopted by the governing body of the Town, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes. Plan provisions for the Town were as follows:

Employee deposit rate	7%
Matching ratio (Town to Employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	30% of CPI Repeating

The Town also participates in Social Security.

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	25
Inactive employees entitled but not yet receiving benefits	79
Active employees	72
Total	176

Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that

NOTE 8. PENSION PLAN – CONTINUED

city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases. Both the employees and the Town make contributions monthly.

Since the Town needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e. December 31, 2013 valuation is effective for rates beginning January 2015).

Net Pension Liability

The Town's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. This experience study was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

NOTE 8. PENSION PLAN – CONTINUED

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%
Total	100.00%	

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 7.0% and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2013	$ 15,231,441	$ 11,915,329	$ 3,316,112
Changes for the year:			
Service Cost	809,057	-	809,057
Interest	970,682	-	970,682
Changes in benefit terms	(1,544,038)	-	(1,544,038)
Difference between expected and actual experience	(49,303)	-	(49,303)
Changes in assumptions	-	-	-
Contributions - employer	-	660,364	(660,364)
Contributions - employee	-	316,613	(316,613)
Net Investment Income	-	681,774	(681,774)
Benefit payments, including refunds of employee contributions	(450,100)	(450,100)	-
Administrative expense	-	(7,117)	7,117
Other Changes	-	(585)	585
Net Changes	(263,702)	1,200,949	(1,464,651)
Balance at 12/31/2014	$ 14,967,739	$ 13,116,278	$ 1,851,461

NOTE 8. PENSION PLAN – CONTINUED

The following presents the net pension liability of the Town, calculated using the discount rate of 7.0%, as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease in Discount Rate	Current Discount Rate	1% Increase in Discount Rate
Town's net pension liability	$ 4,323,936	$ 1,851,461	$ (140,779)

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended September 30, 2015, the Town recognized a reduction in pension expense of $888,666. This amount is included as part of expenses within the functional program activities.

At September 30, 2015, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 688,749	$ -
Difference between projected and actual investment earnings	121,839	-
Difference between actuarial assumptions and acutal experience	-	37,460
Changes in actuarial assumptions used	-	-
Total	$ 810,588	$ 37,460

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $688,749 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2015 (i.e. recognized in the Town's financial statements September 30, 2016). Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement Year Ended Dec 31	
2015	$ 18,617
2016	18,617
2017	18,617
2018	28,528
Total	$ 84,379

NOTE 8. PENSION PLAN – CONTINUED

Pursuant to TMRS policy of conducting experience studies every four years, the TMRS Board at their July 31, 2015 meeting determined that they would be changing certain actuarial assumptions including reducing the long term expected rate of return from the current 7% to 6.75% and changing the inflation assumption from 3% to 2.5%. Reduction of expected investment return and related discount rate will increase projected pension liabilities. Reducing the inflation assumption reduces liabilities as future annuity levels and future cost of living adjustments are not projected to be as large as originally projected. While the actual impact on the Town's valuation for December 31, 2015 is not known, the Town does expect some upward pressure on its total pension liability and upward pressure on its 2017 actuarially determined contribution (ADC) due to this change.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The Town provides post-employment medical, dental, and vision benefits (OPEB) for eligible retirees, their spouses and dependents through TML Intergovernmental Employee Benefits Pool, which covers both active and retired members.

As of September 30, 2015, membership consisted of:

Retirees and beneficiaries receiving benefits	-
Active employees	69
Total	69

The three optional benefit levels, TML Plan P85-50-20, TML Plan P85-100-25 and TML Plan P85-200-43.5, are the same for retirees as those afforded to active employees. Regular full-time employees retiring from the Town have the option to continue medical insurance coverage until the retiree becomes eligible for Medicare or is eligible to be covered under another medical plan.

Funding Policy

The benefit levels and contribution rates are approved annually by the Town management and the Town Council as part of the budget process. By the Town not contributing anything toward this plan in advance, the Town employs a pay-as-you-go method through ensuring the annual retiree contributions are equal to the benefits that are paid on behalf of the retirees.

The monthly Retiree health coverage contribution rates for offered benefit levels are as follows:

	TML Plan P85-50-20	TML Plan P85-100-25	TML Plan P85-200-43.5
Single Coverage	$ 905	$ 774	$ 642
Single + Spouse	$ 2,519	$ 2,071	$ 1,714
Single + Children	$ 1,769	$ 1,468	$ 1,215
Single + Family	$ 3,192	$ 2,611	$ 2,159

An irrevocable trust has not been established; therefore, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost is calculated based on the annual required contribution of the Town (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

The following table shows the components of the Town's annual OPEB cost for the year, the amount contributed to the plan, and changes in the Town's net OPEB obligation.

Annual required contribution	$	15,491
Interest on net OPEB obligation		2,571
Adjustment to annual required contribution		(2,382)
Annual OPEB cost		15,680
Contributions made		-
Change in OPEB obligation		15,680
Net OPEB obligation (asset) - beginning of year		57,136
Net OPEB obligation (asset) - end of year	$	72,816

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013, 2014, and 2015 were as follows:

Fiscal Year	Annual OPEB Costs	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2013	$ 13,990	29.26%	$ 41,995
2014	$ 15,141	0.00%	$ 57,136
2015	$ 15,680	0.00%	$ 72,816

Funded Status and Funding Progress

As of October, 2014 the most recent actuarial valuation date, the actuarial accrued liability for benefits was $90,490, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) for fiscal year 2015 was $4,617,652, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 1.96%.

Actuarial Methods and Assumptions

Projections of benefits are based on substantive plan (the plan understood by the employer and plan members) and include the type of benefits in force at the valuation date and the pattern of sharing benefits between the Town and the plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets, consistent with the long-term perspective of the calculations.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS – CONTINUED

In the October, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 4.5% after 7 years. The rate of inflation is assumed to be 3%.

NOTE 10. CONTRIBUTIONS

The Town received contributions of $89,964 from the 4B Economic Development Corporation (4B) during the year ended September 30, 2015 in order to repay debt payments related to the 4B and for administrative services. The contributions have been recorded as part of intergovernmental revenue in the Town's statement of revenues, expenditures, and changes in fund balance – governmental funds, and as expenses in the statement of activities for the 4B.

NOTE 11. RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town has purchased commercial insurance to protect against these various risks of loss. There was no significant reduction in insurance coverage from the previous year. Settled claims for risks have not exceeded insurance coverage for the past three years.

NOTE 12. PUBLIC UTILITY DISTRICT NO. 1

On May 7, 2007, the Trophy Club Town Council approved Resolution 2007-08 authorizing and providing for the creation of a Public Improvement District. Trophy Club Public Improvement District No.1 consists of approximately 609.68 acres within the corporate limits of the Town of Trophy Club. This District was created in accordance with Chapter 372 of the Texas Local Government Code.

On December 13, 2007 the Trophy Club Town Council approved the issuance and sale of $27,500,000 in bonds, known as Trophy Club Public Improvement No. 1 Special Assessment Revenue Bonds, Series 2007. These bonds were authorized in order to finance the authorized improvements found in the Service and Assessment Plan. An Assessment on each property located in the District will repay the bonds. The Town is acting only as an agent and has no obligation to support payment of the bonds, directly or indirectly.

The Service and Assessment Plan included the following projects: Thoroughfare Improvements, Water Distribution System Improvements, Wastewater Collection System Improvements, Trails and Open Space, Elevated Water Storage, Thoroughfare Landscaping and Irrigation, Screening Walls and Entry Features, Public Parks, Drainage Improvements, and Construction Administration.

In December, 2015 the Town refunded the Public Improvement District No. 1 bonds. Total interest savings for the over 1,400 residences in the Public Improvement District exceeded $16.4M, with a net present value savings of over 33% of the refunded amount.

NOTE 13. TROPHY CLUB MUNICIPAL UTILITY DISTRICT No.1

The Town entered into an agreement with Trophy Club Municipal Utility District No.1 ("the District") in 2011 to provide support services to the District. Total payments received for services provided to the District under this agreement totaled $26,170 during the fiscal year ended September 30, 2015, and are recorded as intergovernmental revenue of the General Fund in the Town's statement of revenues, expenditures and changes in fund balance.

NOTE 14. NEW AND FUTURE FINANCIAL REPORTING REQUIREMENTS

As a result of the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions – an amendment to GASB Statement No. 27", and GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date" an adjustment has been made to record the Town's net pension liability as of October 1, 2014. As a result, the beginning net position of the governmental activities has been decreased $2,598,546.

The GASB has issued the following statements which will become effective in future years.

Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions" – This statement changes the focus of accounting of postemployment benefits other than pensions from whether they are responsibly funding the benefits over time to a point-in time liability that is reflected on the employer's financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the Town in fiscal year 2018.

Statement No. 77, "Tax Abatement Disclosures" – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will become effective for the Town in fiscal year 2017.

Management has not yet determined the effect of these statements on the financial statements.

NOTE 15. SUBSEQUENT EVENTS

The Town has evaluated all events and transactions that have occurred from October 1, 2015 up until March 11, 2016, the date the financial statements were issued, and determined that there are no transactions requiring additional recognition or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF TROPHY CLUB, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST FISCAL YEAR (PREVIOUS YEARS ARE NOT AVAILABLE)

	Measurement Year 2014
Total pension liability:	
Service cost	$ 809,057
Interest	970,682
Changes in benefit terms	(1,544,038)
Difference between expected and actual experience	(49,303)
Changes in assumptions	-
Benefit payments, including refunds of employment contributions	(450,100)
Net change in total pension liability	(263,702)
Total pension liability - beginning	15,231,441
Total pension liability - ending (a)	14,967,739
Plan fiduciary net position:	
Contributions - employer	660,364
Contributions - employee	316,613
Net investment income	681,774
Benefit payments, including refunds of employment contributions	(450,100)
Administrative expense	(7,117)
Other	(585)
Net change in fiduciary net position	1,200,949
Plan fiduciary net position - beginning	11,915,329
Plan fiduciary net position - ending (b)	13,116,278
Net pension liability - ending (a) - (b)	$ 1,851,461
Plan fiduciary net position as a percentage of total pension liability	87.63%
Covered employee payroll	$ 4,523,041
Net pension liability as a percentage of covered employee payroll	40.93%

As of December 31

TOWN OF TROPHY CLUB, TEXAS
TEXAS MUNICIPAL RETIREMENT SYSTEM
SCHEDULE OF CONTRIBUTIONS
LAST FOUR FISCAL YEARS

Fiscal Year	(1) Actuarially determined contribution	(2) Contribution in relation to the actuarially determined contribution	(3) Contribution excess (deficiency) (2) - (1)	(4) Covered employee payroll	(5) Actuarially determined contributions as a percentage of covered employee payroll (1) / (4)	(6) Contributions as a percentage of covered employee payroll (2) / (4)
2012	$ 664,248	$ 664,248	$ -	$ 4,778,595	13.90%	13.90%
2013	632,149	632,149	-	4,498,524	14.05%	14.05%
2014	662,072	662,072	-	4,346,566	15.23%	15.23%
2015	642,631	642,631	-	4,617,652	13.92%	13.92%

Notes to Schedule:

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January, 12 months and a day later.

Methods and Assumptions Used to Determine Contribution Rate for 2015:

Actuarial Cost Method	Entry Age Normal
Amortization Period	Level Percent of Payroll, Closed
Remaining Amortization Period	29 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the Town's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes	Decreased repeating COLA from 70% to 30%

TOWN OF TROPHY CLUB, TEXAS
RETIREE HEALTH PLAN
SCHEDULE OF FUNDING PROGRESS
YEAR ENDED SEPTEMBER 30, 2015

	2015	2014	2013
Annual required contribution	$ 15,491	$ 15,002	$ 13,990
Interest on prior year Net OPEB obligation	2,571	1,890	1,444
Adjustment to annual required contribution	(2,382)	(1,751)	(1,444)
Annual OPEB cost	15,680	15,141	13,990
Contributions made	-	-	4,094
Increase in net OPEB obligation	15,680	15,141	9,896
Net Obligation - beginning of year	57,136	41,995	32,099
Net Obligation - end of year	$ 72,816	$ 57,136	$ 41,995
Percentage of OPEB costs contributed	0.00%	0.00%	29.26%
Actuarial accrued liability	$ 90,490	$ 88,691	$ 81,122
Actuarial value of plan assets	-	-	-
Unfunded actuarial accrued liability	$ 90,490	$ 88,691	$ 81,122
Funded ratio	0.0%	0.0%	0.0%
Covered payroll	4,617,652	4,346,566	4,957,738
Unfunded actuarial accrued liability as a percentage of covered payroll	1.96%	2.04%	1.64%

TOWN OF TROPHY CLUB, TEXAS
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Ad valorem taxes	$ 5,166,466	$ 5,166,466	$ 5,205,437	$ 38,971
Sales and mixed beverage taxes	676,323	698,133	751,510	53,377
Franchise taxes	812,506	812,506	811,052	(1,454)
Licenses and permits	710,631	710,631	697,378	(13,253)
Intergovernmental	192,901	127,231	126,134	(1,097)
Charges for service	260,852	300,852	282,957	(17,895)
Fines and Fees	466,101	571,101	574,558	3,457
Investment income	6,000	6,000	7,829	1,829
Miscellaneous	118,550	118,550	88,993	(29,557)
Grant revenue	77,018	77,018	73,343	(3,675)
Total revenues	8,487,348	8,588,488	8,619,191	30,703
EXPENDITURES				
Current:				
Emergency medical services	837,362	823,362	824,881	(1,519)
Manager's office	899,938	1,071,078	1,030,977	40,101
Human resources	92,495	100,495	99,862	633
Finance	387,097	369,097	345,775	23,322
Information Services	391,699	490,699	400,866	89,833
Legal	193,389	188,389	176,384	12,005
Court	85,936	84,936	80,754	4,182
Police	2,110,098	2,032,098	1,971,431	60,667
Recreation	610,240	606,740	539,987	66,753
Facilities management	111,042	116,042	108,065	7,977
Parks	1,277,896	1,260,396	1,240,250	20,146
Community Development	572,921	562,921	516,035	46,886
Streets	411,677	401,677	346,965	54,712
Total current	7,981,790	8,107,930	7,682,232	425,698
Capital outlay:				
Emergency medical services	179,360	99,360	40,818	58,542
Information Services	31,613	31,613	108,436	(76,823)
Police	-	-	3,165	(3,165)
Parks	64,830	64,830	52,106	12,724
Community Development	-	-	46,461	(46,461)
Streets	-	55,000	50,805	4,195
Total capital outlay	275,803	250,803	301,791	(50,988)
Total expenditures	8,257,593	8,358,733	7,984,023	374,710
Excess (deficiency) of revenues over expenditures	229,755	229,755	635,168	405,413
OTHER FINANCING SOURCES (USES)				
Transfers in	11,000	11,000	11,000	-
Transfers out	(385,000)	(385,000)	-	385,000
Total other financing source (uses)	(374,000)	(374,000)	11,000	385,000
Net change in fund balances	(144,245)	(144,245)	646,168	790,413
Fund balances - beginning, as restated	3,045,021	3,045,021	3,045,021	-
Fund balances - ending	$ 2,900,776	$ 2,900,776	$ 3,691,189	$ 790,413

TOWN OF TROPHY CLUB, TEXAS
NOTES TO BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2015

NOTE 1. BUDGETARY CONTROL

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to September 1, the Town Manager submits to the Town Council a proposed operating budget for the fiscal year commencing the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearing(s) are conducted to obtain taxpayer comments.

3. The budget is legally enacted through passage of an ordinance.

4. The Town Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Town Council.

5. Formal budgetary integration is employed as a management control device during the year for the General Fund.

Annual appropriated budgets are consistent with U.S. generally accepted accounting principles and are legally adopted for the general fund.

All appropriations lapse on September 30 of the fiscal year.

COMBINING AND BUDGETARY COMPARISON SCHEDULE

TOWN OF TROPHY CLUB, TEXAS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
YEAR ENDED SEPTEMBER 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Ad valorem taxes	$ 1,498,303	$ 1,498,303	$ 1,507,275	$ 8,972
Investment income	250	250	350	100
Total revenues	1,498,553	1,498,553	1,507,625	9,072
EXPENDITURES				
Debt service:				
Bond Issuance Cost	-	-	42,736	(42,736)
Interest and Fiscal Charges	485,662	485,662	432,079	53,583
Principal retirement	1,088,000	1,088,000	1,088,000	-
Total debt service	1,573,662	1,573,662	1,562,815	10,847
Total expenditures	1,573,662	1,573,662	1,562,815	10,847
Excess (deficiency) of revenues over expenditures	(75,109)	(75,109)	(55,190)	19,919
OTHER FINANCING SOURCES				
Issuance of long-term debt	-	-	2,030,000	2,030,000
Payment to refund bond escrow agent	-	-	(2,026,710)	(2,026,710)
Transfers in	127,350	53,350	52,350	(1,000)
Total other financing sources	127,350	53,350	55,640	2,290
Net change in fund balances	52,241	(21,759)	450	22,209
Fund balances - beginning	118,092	118,092	118,092	-
Fund balances - ending	$ 170,333	$ 96,333	$ 118,542	$ 22,209

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

HOTEL OCCUPANCY FUND
Accounts for occupancy taxes charged to hotels.

STREET MAINTENANCE SALES TAX FUND
Accounts for sales taxes specifically restricted for street improvements.

ANNIVERSARY FUND
Accounts for contributions designated for the Town's anniversary celebrations.

COURT TECHNOLOGY FUND
Accounts for court fees specifically restricted for court technology expenditures.

COURT SECURITY FUND
Accounts for court fees specifically restricted for court security expenditures.

CRIME CONTROL AND PREVENTION DISTRICT FUND
Accounts for sales taxes specifically restricted for crime control and prevention.

RECREATION PROGRAMS
Accounts for recreation fees and associated recreation programs.

TOWN OF TROPHY CLUB, TEXAS
COMBINING BALANCE SHEET-
NON MAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	Hotel Occupancy Tax	Street Maintenance Sales Tax	Anniversary Fund
ASSETS			
Cash and cash equivalents	$ 451,516	$ 32,937	$ 3,732
Sales taxes receivable	-	34,996	-
Accounts receivable, net	24,232	-	-
Due from other Funds	-	3,142	-
Total assets	475,748	71,075	3,732
LIABILITIES			
Accounts payable	-	5,769	235
Total liabilities	-	5,769	235
FUND BALANCES			
Restricted for:			
Tourism	475,748	-	-
Street maintenance	-	65,306	-
Anniversary	-	-	3,497
Crime control and prevention	-	-	-
Court	-	-	-
Committed for:			
Recreation programs	-	-	-
Total fund balances	475,748	65,306	3,497
Total liabilities and fund balances	$ 475,748	$ 71,075	$ 3,732

Court Technology	Court Security	Crime Control and Prevention	Recreation Programs	Total Nonmajor Governmental Funds
$ 21,519	$ 21,903	$ 94,996	$ 3,210	$ 629,813
-	-	34,241	-	69,237
-	-	6,481	425	31,138
-	-	-	-	3,142
21,519	21,903	135,718	3,635	733,330
-	-	1,453	240	7,697
-	-	1,453	240	7,697
-	-	-	-	475,748
-	-	-	-	65,306
-	-	-	-	3,497
-	-	134,265	-	134,265
21,519	21,903	-	-	43,422
-	-	-	3,395	3,395
21,519	21,903	134,265	3,395	725,633
$ 21,519	$ 21,903	$ 135,718	$ 3,635	$ 733,330

TOWN OF TROPHY CLUB, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
YEAR ENDED SEPTEMBER 30, 2015

	Hotel Occupancy Tax	Street Maintenance Sales Tax	Anniversary Fund
REVENUES			
Sales and mixed beverage taxes	$ -	$ 182,882	$ -
Occupancy taxes	264,708	-	-
Charges for service	-	-	-
Fines	-	-	-
Investment income	519	21	-
Miscellaneous	-	-	10,879
Total revenues	265,227	182,903	10,879
EXPENDITURES			
Current:			
General government	72,960	-	-
Court	-	-	-
Police	-	-	-
Recreation	-	-	9,496
Streets	-	132,512	-
Debt service:			
Capital outlay:			
Police	-	-	-
Total expenditures	72,960	132,512	9,496
Excess (deficiency) of revenues over expenditures	192,267	50,391	1,383
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(25,000)	-
Total other financing source (uses)	-	(25,000)	-
Net change in fund balances	192,267	25,391	1,383
Fund balances - beginning	283,481	39,915	2,114
Fund balances - ending	$ 475,748	$ 65,306	$ 3,497

Court Technology	Cout Security	Crime Control and Prevention	Recreation Programs	Total Nonmajor Governmental Funds
$ -	$ -	$ 169,906	$ -	$ 352,788
-	-	-	-	264,708
-	-	-	10,054	10,054
3,480	2,610	-	-	6,090
-	-	130	-	670
-	-	-	-	10,879
3,480	2,610	170,036	10,054	645,189
-	-	-	-	72,960
5,921	-	-	-	5,921
-	-	13,645	-	13,645
-	-	-	9,471	18,967
-	-	-	-	132,512
-	-	115,872	-	115,872
5,921	-	129,517	9,471	359,877
(2,441)	2,610	40,519	583	285,312
-	(3,000)	-	-	(28,000)
-	(3,000)	-	-	(28,000)
(2,441)	(390)	40,519	583	257,312
23,960	22,293	93,746	2,812	468,321
$ 21,519	$ 21,903	$ 134,265	$ 3,395	$ 725,633

FIDICUARY FUND

PUBLIC IMPROVEMENT DISTRICT (PID) NO. 1 DEBT SERVICE AGENCY FUND

Accounts for bond proceeds, assessments and related debt associated with the issuance of bonds issued by the town as an agent for the Public Improvement District.

TOWN OF TROPHY CLUB, TEXAS
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
YEAR ENDED SEPTEMBER 30, 2015

ASSETS:	Balance September 2014	ADDITIONS	DEDUCTIONS	Balance September 2015
Cash and cash equivalents	$ 4,233,214		$ 4,146	$ 4,229,068
Total Assets	$ 4,233,214	$ -	$ 4,146	$ 4,229,068
LIABILITIES:				
Due to debt holders	$ 4,233,214		$ 4,146	$ 4,229,068
Total Liabilities	$ 4,233,214	$ -	$ 4,146	$ 4,229,068

DISCRETELY PRESENTED COMPONENT UNITS

4B ECONOMIC DEVELOPMENT FUND
Accounts for the use of 4B economic development sales tax revenue.

TAX INCREMENT REINVESTMENT ZONE #1
Accounts for the use of ad valorem tax revenue and sales tax revenue within the boundaries of the reinvestment zone.

TOWN OF TROPHY CLUB, TEXAS
4B ECONOMIC DEVELOPMENT FUND
BALANCE SHEET
SEPTEMBER 30, 2015

Assets		
Cash and cash equivalents	$	2,928,418
Sales taxes receivable		69,992
Inventory		69,051
Total assets		3,067,461
Liabilities		
Accounts Payable		450
Interest Payable		6,611
Total Liabilities		7,061
Fund Balances		
Unassigned		3,060,400
Total liabilities and fund balances	$	3,067,461

TOWN OF TROPHY CLUB, TEXAS
4B ECONOMIC DEVELOPMENT FUND
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total fund balances of 4B Economic Development Corporation		$ 3,060,400
Long term liabilities are not due and payable in the current period and, therefore are not reported in the governmental fund financial statements. This amount is the net effect of:		
Contractual Obligations	(2,690,000)	
Issuance Discounts	26,539	(2,663,461)
Bond insurance on governmental long-term debt is capitalized and amortized over the life of the debt in the government-wide financial statements.		11,310
Interest payable on long-term debt does not require the use of current financial resources; therefore, interest payable, other than that related to a new issuance, is not reported as liability in the governmental funds balance sheet.		(1,724)
Net position of 4B Economic Development Corporation		$ 406,525

TOWN OF TROPHY CLUB, TEXAS
4B ECONOMIC DEVELOPMENT FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Revenues		
Sales taxes	$	365,764
Investment income		537
Total revenues		366,301
Expenditures:		
Economic Development		199,858
Interest and fiscal charges		400
Bond Issuance Cost		108,708
Total expenditures		308,966
Excess of revenues over expenditures		57,335
Other financing sources (uses):		
Issuance of long-term debt		2,690,000
Issuance discount		(26,650)
Total Other financing sources (uses)		2,663,350
Net change in fund balances		2,720,685
Fund Balances - beginning of year		339,715
Fund Balances - end of year	$	3,060,400

TOWN OF TROPHY CLUB, TEXAS
4B ECONOMIC DEVELOPMENT FUND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances - 4B Economic Development Corporation		$ 2,720,685
Amounts reported in the statement of net position are different because:		
The issuance of long term debt provides current financial resources to governmental funds, while the repayment of principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
2015 Certificates of obligation proceeds	(2,690,000)	
Discount on debt issues	26,650	(2,663,350)
Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Amortization of bond discount		(111)
Bond insurance associated with the issuance of governmental long-term debt is expensed when incurred in the fund financial statements and capitalized and amortized over the life of the debt in the government-wide financial statements. This amount is the net effect of unamortized insurance costs ($11,357) less current year amortization ($47).		11,310
Certain expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued interest		(1,724)
Change in net position of 4B Economic Development Corporation		$ 66,810

TOWN OF TROPHY CLUB, TEXAS
TAX INCREMENT REINVESTMENT ZONE #1
BALANCE SHEET
SEPTEMBER 30, 2015

Assets		
Cash and cash equivalents	$	6,062
Ad valorem taxes receivable		4,211
Total assets		10,273
Deferred Inflows of Resources		
Unavailable revenue-ad valorem taxes		4,211
Total Deferred Inflows of Resources		4,211
Fund Balances		
Unassigned		6,062
Total deferred inflows of resources and fund balances	$	10,273

TOWN OF TROPHY CLUB, TEXAS
TAX INCREMENT REINVESTMENT ZONE #1
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total fund balances of Tax Increment Reinvestment Zone #1	$	6,062
Revenues earned but not available within sixty days of year-end are not recognized as revenue in the fund financial statements.		4,211
Net position of Tax Increment Reinvestment Zone #1	$	10,273

TOWN OF TROPHY CLUB, TEXAS
TAX INCREMENT REINVESTMENT ZONE #1
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Revenues		
Property taxes	$	6,062
Total revenues		6,062
Net change in fund balances		6,062
Fund Balances - beginning of year		-
Fund Balances - end of year	$	6,062

TOWN OF TROPHY CLUB, TEXAS
TAX INCREMENT REINVESTMENT ZONE #1
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Net change in fund balances - Tax Increment Reinvestment Zone #1	$	6,062
Amounts reported in the statement of net position are different because:		
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Ad valorem taxes		4,211
Change in net position of Tax Increment Reinvestment Zone #1	$	10,273

STATISTICAL SECTION

STATISTICAL SECTION

This part of the Town of Trophy Club's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents **Tables**

Financial Trends 1-4

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity 5-8

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity 9-11

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 12-13

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information 14-15

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF TROPHY CLUB, TEXAS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 1

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Net investment in capital assets	$ 18,482,623	$ 12,598,102	$ 24,467,178	$ 33,443,249	$ 36,491,021	$ 47,668,302	$ 50,050,855	$ 54,425,735	$ 53,586,441	$ 54,101,857
Restricted for debt service	663	42,164	130,709	40,716	39,003	57,471	65,590	95,507	96,151	100,627
Restricted for capital projects	-	-	-	-	-	-	996,425	-	-	-
Restricted for crime control and prevention	-	-	-	-	-	-	-	23,007	93,746	134,265
Restrictied for tourism	-	-	-	-	-	-	1,321	87,225	283,481	475,748
Restricted for street maintenance	-	-	-	-	-	-	75,999	46,700	39,915	65,306
Restricted for anniversary events	-	-	-	-	-	-	2,114	2,114	2,114	3,497
Restricted for recreation programs	-	-	-	-	-	-	-	-	2,812	3,395
Restricted for court	-	-	-	-	-	-	49,962	60,927	46,253	43,422
Unrestricted	(4,334,834)	1,689,440	11,115,277	6,197,041	4,569,344	2,689,482	2,158,558	2,896,674	3,119,531	2,279,194
Total governmental activities net position	$ 14,148,452	$ 14,329,706	$ 35,713,164	$ 39,681,006	$ 41,099,368	$ 50,415,255	$ 53,400,824	$ 57,637,889	$ 57,270,444	$ 57,207,311
Business-type activities										
Net investment in capital assets	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,848	$ 560,931	$ 513,930
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	12,541	46,866	230,592	(4,845)	163,047
Total business-type activities net position	$ -	$ -	$ -	$ -	$ -	$ 12,541	$ 46,866	$ 283,440	$ 556,086	$ 676,977
Primary government										
Net investment in capital assets	$ 18,482,623	$ 12,598,102	$ 24,467,178	$ 33,443,249	$ 36,491,021	$ 47,668,302	$ 50,050,855	$ 54,478,583	$ 54,147,372	$ 54,615,787
Restricted for debt service	663	42,164	130,709	40,716	39,003	57,471	65,590	95,507	96,151	100,627
Restricted for capital projects	-	-	-	-	-	-	996,425	-	-	-
Restricted for crime control and prevention	-	-	-	-	-	-	-	23,007	93,746	134,265
Restrictied for tourism	-	-	-	-	-	-	1,321	87,225	283,481	475,748
Restricted for street maintenance	-	-	-	-	-	-	75,999	46,700	39,915	65,306
Restricted for anniversary events	-	-	-	-	-	-	2,114	2,114	2,114	3,497
Restricted for recreation programs	-	-	-	-	-	-	-	-	2,812	3,395
Restricted for court	-	-	-	-	-	-	49,962	60,927	46,253	43,422
Unrestricted	(4,334,834)	1,689,440	11,115,277	6,197,041	4,569,344	2,702,023	2,205,424	3,127,266	3,114,686	2,442,241
Total primary governmental net position	$ 14,148,452	$ 14,329,706	$ 35,713,164	$ 39,681,006	$ 41,099,368	$ 50,427,796	$ 53,447,690	$ 57,921,329	$ 57,826,530	$ 57,884,288

Source: City audited financial records

Notes: The Town implemented the GASB 34 model of reporting fiscal year ending September 30, 2004.

The Town did not have business-type activities prior to fiscal year 2011.

The Town implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.

The Town implemented GASB No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

TOWN OF TROPHY CLUB, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities:										
General government	$ 1,009,358	$ 1,026,163	$ 1,475,709	$ 1,421,942	$ 1,717,961	$ 2,807,237	$ 1,984,137	$ 1,902,621	$ 2,113,664	$ 1,955,949
Public safety	2,380,610	2,312,318	3,041,753	2,013,822	2,211,108	2,275,778	2,392,798	2,898,737	3,125,577	2,306,609
Highways & streets	198,671	131,922	526,621	1,326,986	1,335,674	1,372,501	1,829,799	2,234,140	1,764,396	1,716,531
Community development	1,405,385	982,406	415,552	298,287	353,894	345,804	485,614	599,872	620,209	436,090
Water and sewer	-	-	-	-	-	617,001	92	261,106	311,677	319,054
Storm drainage	-	-	-	-	-	-	-	227,067	231,370	234,339
Culture and recreation	1,176,295	1,539,859	1,930,105	1,224,521	1,596,619	1,844,573	1,564,660	2,037,590	2,555,844	2,253,982
Interest on long-term debt	249,829	261,125	2,532,457	391,346	391,593	558,473	498,569	489,337	412,561	469,923
Total governmental activities expenses	6,420,148	6,253,793	9,922,197	6,676,904	7,606,849	9,821,367	8,755,669	10,650,470	11,135,298	9,692,477
Business-type activities:										
Trophy Club Park	-	-	-	-	-	98,935	130,185	98,718	134,625	123,445
Town Storm Drainage	-	-	-	-	-	156,461	96,488	121,269	103,001	205,331
Total business-type activities expenses	-	-	-	-	-	255,396	226,673	219,987	237,626	328,776
Total primary government expenses	$ 6,420,148	$ 6,253,793	$ 9,922,197	$ 6,676,904	$ 7,606,849	$ 10,076,763	$ 8,982,342	$ 10,870,457	$ 11,372,924	$ 10,021,253
Program Revenues										
Governmental activities:										
Charges for services										
Community Development	-	-	-	-	713,920	792,065	1,128,234	968,285	895,508	702,578
Water and sewer	-	-	-	-	305,580	612,722	2,040	-	-	-
Other	687,476	931,685	1,284,324	1,551,633	688,554	669,827	854,349	793,205	783,359	752,102
Operating grants and contributions	895,044	909,784	977,774	55,801	385,429	340,748	342,894	952,648	423,960	550,495
Capital grants and contributions	-	-	27,776,510	3,736,920	323,822	10,627,098	2,682,302	4,793,132	761,196	1,254,997
Total governmental activities program revenues	1,582,520	1,841,469	30,038,608	5,344,354	2,417,305	13,042,460	5,009,819	7,507,270	2,864,023	3,260,172
Business-type activities:										
Charges for services	-	-	-	-	-	253,034	325,380	506,205	550,617	484,874
Total business-type activities program revenues	-	-	-	-	-	253,034	325,380	506,205	550,617	484,874
Total primary government program revenues	$ 1,582,520	$ 1,841,469	$ 30,038,608	$ 5,344,354	$ 2,417,305	$ 13,295,494	$ 5,335,199	$ 8,013,475	$ 3,414,640	$ 3,745,046
								(continued)	(continued)	(continued)

TOWN OF TROPHY CLUB, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

TABLE 2 – CONTINUED

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expenses) Revenue										
Governmental activities	$ (4,837,628)	$ (4,412,324)	$ 20,116,411	$ (1,332,550)	$ (5,189,544)	$ 3,221,093	$ (3,745,850)	$ (3,143,200)	$ (8,271,275)	$ (6,432,305)
Business-type activities	-	-	-	-	-	(2,362)	98,707	286,218	312,991	156,098
Total primary government net expenses	$ (4,837,628)	$ (4,412,324)	$ 20,116,411	$ (1,332,550)	$ (5,189,544)	$ 3,218,731	$ (3,647,143)	$ (2,856,982)	$ (7,958,284)	$ (6,276,207)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Property taxes	$ 2,650,351	$ 2,906,229	$ 3,217,051	$ 3,639,192	$ 3,889,157	$ 4,480,999	$ 4,897,615	$ 5,334,140	$ 5,955,398	$ 6,689,869
Sales and mixed beverage taxes	430,950	605,776	608,218	588,362	674,131	631,561	754,105	781,054	965,969	1,104,298
Other taxes	466,794	455,944	515,205	563,340	537,644	648,400	706,065	828,338	1,020,554	1,027,407
Intergovernmental revenue	264,885	280,086	254,572	260,507	409,454	-	-	-	-	-
Investment income	91,439	176,939	465,064	85,800	17,634	15,162	7,983	7,193	4,973	10,922
Miscellaneous revenues	159,487	168,604	629,225	163,192	126,949	333,497	301,269	379,896	185,922	99,872
Transfers	-	-	(4,422,288)	-	-	75,819	64,382	49,644	28,607	35,350
Total governmental activities	4,063,906	4,593,578	1,267,047	5,300,393	5,654,969	6,185,438	6,731,419	7,380,265	8,161,423	8,967,718
Business-type activities:										
Investment income	-	-	-	-	-	78	-	-	25	143
Special items	-	-	-	-	-	-	-	-	26,001	-
Transfers	-	-	-	-	-	(75,819)	(64,382)	(49,644)	(28,607)	(35,350)
Total business-type activities	-	-	-	-	-	(75,741)	(64,382)	(49,644)	(2,581)	(35,207)
Total primary government	$ 4,063,906	$ 4,593,578	$ 1,267,047	$ 5,300,393	$ 5,654,969	$ 6,109,697	$ 6,667,037	$ 7,330,621	$ 8,158,842	$ 8,932,511
Change in Net Position										
Governmental activities	$ (773,722)	$ 181,254	$ 21,383,458	$ 3,967,843	$ 465,425	$ 9,406,531	$ 2,985,569	$ 4,237,065	$ (109,852)	$ 2,535,413
Business-type activities	-	-	-	-	-	(78,103)	34,325	236,574	310,410	120,891
Total primary government	$ (773,722)	$ 181,254	$ 21,383,458	$ 3,967,843	$ 465,425	$ 9,328,428	$ 3,019,894	$ 4,473,639	$ 200,558	$ 2,656,304

Source: Town audited financial records

Notes: The Town implemented the GASB 34 model of reporting fiscal year ending September 30, 2004.
The Town did not have business-type activities prior to fiscal year 2011.
The Town implemented GASB Statement No. 65 in fiscal year 2014. The amounts for all fiscal years presented have been restated for the effects of this standard.
The Town implemented GASB No. 68 in fiscal year 2015. The amounts for all prior fiscal years have not been restated for the effects of this standard.

TOWN OF TROPHY CLUB, TEXAS
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2006	2007	2008	2009
General Fund				
Nonspendable for prepaids	$ -	$ -	$ -	$ -
Assigned for capital expenditures	-	-	-	-
Commtted for Police	-	-	-	-
Unassigned	-	-	-	-
Reserved	122,236	71,195	97,355	56,968
Unreserved	1,005,073	1,335,796	1,830,233	2,010,869
Total general fund	$ 1,127,309	$ 1,406,991	$ 1,927,588	$ 2,067,837
All Other Governmental Funds				
Restricted for:				
Debt Service	$ -	$ -	$ -	$ -
Capital Projects	-	-	-	-
Tourism	-	-	-	-
Street Maintenance	-	-	-	-
Town anniversary	-	-	-	-
Water Services	-	-	-	-
Court	-	-	-	-
Crime Control and Prevention	-	-	-	-
Committed for:				
Recreation programs	-	-	-	-
Unassigned	-	-	-	-
Reserved for:				
Debt service	13,326	74,060	152,253	63,305
Prepaid items	-	-	-	-
Encumbrances	-	-	-	-
Capital projects funds	-	-	-	3,750,206
Unreserved, reported in:				
Debt service	-	-	-	-
Special revenue funds	246	(1,531)	18,607	8,231
Capital projects funds	80	3,065,681	10,193,492	-
Total all other governmental funds	$ 13,652	$ 3,138,210	$ 10,364,352	$ 3,821,742

Source: Town audited financial records

(1) The Town implemented the GASB 54 during fiscal year ended September 30, 2011.

TABLE 3

2010	2011	2012	2013	2014	2015
$ -	$ 2,620	$ 796	$ 796	$ 796	$ 1,816
-	228,138	228,138	228,138	228,138	228,138
-	-	-	-	-	200,000
-	2,412,034	2,902,168	2,398,330	2,816,087	3,261,235
57,486	-	-	-	-	
2,056,334	-	-	-	-	
$ 2,113,820	$ 2,642,792	$ 3,131,102	$ 2,627,264	$ 3,045,021	$ 3,691,189
$ -	$ 85,388	$ 94,267	$ 119,722	$ 118,092	$ 118,542
-	1,599,988	996,425	2,065,759	4,505,273	1,694,546
-	1,890	1,321	87,225	283,481	475,748
-	34,750	75,999	46,700	39,915	65,306
-	2,114	2,114	2,114	2,114	3,497
-	12,788	-	-	-	-
-	-	49,962	60,927	46,253	43,422
-	-	-	23,007	93,746	134,265
-	-	-	-	2,812	3,395
-	(26,477)	(257,350)	(11,517)	(6,333)	(6,327)
83,067	-	-	-	-	-
1,567	-	-	-	-	-
48,000	-	-	-	-	-
6,709,402	-	-	-	-	-
					-
-	-	-	-	-	-
151,970	-	-	-	-	-
-	-	-	-	-	-
$ 6,994,006	$ 1,710,441	$ 962,738	$ 2,393,937	$ 5,085,353	$ 2,532,394

TOWN OF TROPHY CLUB, TEXAS
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	2005	2006	2007	2008	2009
Revenues					
Taxes					
Ad valorem taxes	$ 2,525,331	$ 2,627,333	$ 2,903,193	$ 3,219,061	$ 3,623,124
Sales and mixed beverage taxes	347,716	430,950	605,776	608,218	588,362
Franchise taxes	400,759	444,095	447,956	481,459	546,271
Hotel/motel	-	-	-	25,705	17,069
Licenses, permits & fees	331,218	207,539	215,251	376,628	631,895
Inter-governmental	1,084,687	1,173,462	1,104,134	1,232,346	235,715
Charges for services	304,499	320,926	570,063	776,088	794,185
Fines	88,950	138,801	99,541	106,092	140,553
Contributions	-	-	-	27,415,006	3,736,920
Investment Income	80,814	91,439	176,939	465,064	85,800
Grant revenue	-	-	-	361,504	50,191
Miscellaneous	128,964	159,412	207,719	659,254	178,594
Total revenues	5,292,938	5,593,957	6,330,572	35,726,425	10,628,679
Expenditures					
Current:					
General government	1,247,417	1,034,432	1,091,305	1,458,474	1,523,604
Public safety	2,310,747	2,415,056	2,360,669	3,082,797	1,944,643
Highways & streets	10,195	66,750	-	593,444	791,304
Community development	419,919	847,830	871,553	317,973	265,162
Water and sewer	-	-	-	-	-
Culture & recreation	1,025,036	1,057,322	1,229,661	1,296,752	1,230,193
Debt Service:					
Principal	280,000	290,000	305,000	447,000	515,000
Interest	266,701	250,897	291,924	460,741	389,921
Other charges	-	-	-	2,078,496	-
Capital Outlay	736,589	820,629	629,681	14,078,557	10,394,523
Total expenditures	6,296,604	6,782,916	6,779,793	23,814,234	17,054,350
Excess of revenues over (under) expenditures	(1,003,666)	(1,188,959)	(449,221)	11,912,191	(6,425,671)
OTHER FINANCING SOURCES (USES)					
Proceeds from capital lease obligation	72,743	21,544	119,461	256,836	23,310
Proceeds from contractual obligations	-	-	474,000	-	-
Proceeds of bank loan	-	-	-	-	-
Proceeds from bonds	688,000	-	3,260,000	-	-
Premium on bonds	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Transfer from other funds	129,146	-	60,002	123,280	104,700
Transfer to other funds	(129,146)	-	(60,002)	(4,545,568)	(104,700)
Total other financing sources (uses)	760,743	21,544	3,853,461	(4,165,452)	23,310
NET CHANGE IN FUND BALANCES	$ (242,923)	$ (1,167,415)	$ 3,404,240	$ 7,746,739	$ (6,402,361)
Debt service as a percentage of non-capital expenditures	9.83%	9.07%	9.71%	9.32%	13.59%

Source: Town audited financial records

TABLE 4

2010	2011	2012	2013	2014	2015
$ 3,890,927	$ 4,457,829	$ 4,916,886	$ 5,330,778	$ 5,908,764	$ 6,712,712
674,131	631,561	754,105	781,054	965,969	1,104,298
519,959	608,806	693,722	718,952	772,621	811,052
17,685	22,644	20,543	108,170	235,796	264,708
719,333	798,520	1,128,234	968,285	904,251	697,378
237,756	375,749	342,894	888,896	133,004	326,195
868,571	1,140,556	670,186	592,146	611,781	293,011
120,151	167,461	157,143	171,579	126,111	580,648
709,251	265,426	322,536	1,472	-	-
17,634	15,162	7,983	7,193	4,974	10,921
171,698	318,954	1,400,252	490,850	61,383	147,691
126,949	335,796	82,057	388,894	485,380	99,872
8,074,045	9,138,464	10,496,541	10,448,269	10,210,034	11,048,486
1,722,229	1,763,048	1,968,287	1,844,939	1,947,650	2,273,447
2,169,477	2,237,263	2,408,103	2,905,923	2,918,484	2,896,632
568,619	811,854	2,017,548	1,067,962	517,964	516,035
344,278	189,425	481,473	576,306	587,760	479,477
-	617,001	92	-	-	-
1,393,751	1,523,133	1,659,656	1,491,496	1,853,811	1,799,204
540,000	803,000	885,000	2,294,000	998,000	1,088,000
371,721	551,955	475,266	456,417	398,872	432,079
82,245	74,324	21,200	29,367	75,100	42,736
3,223,478	5,390,630	1,403,691	237,936	885,436	3,466,307
10,415,798	13,961,633	11,320,316	10,904,346	10,183,077	12,993,917
(2,341,753)	(4,823,169)	(823,775)	(456,077)	26,957	(1,945,431)
-	-	-	-	-	-
5,560,000	-	-	-	2,500,000	
-	-	-	-	-	
-	2,790,000	500,000	1,300,000	600,000	2,030,000
-	118,904		33,794	50,329	
-	(2,825,503)	-	-	-	(2,026,710)
276,317	185,835	191,878	876,553	55,741	63,350
(276,317)	(110,016)	(127,496)	(826,909)	(27,134)	(28,000)
5,560,000	159,220	564,382	1,383,438	3,178,936	38,640
$ 3,218,247	$ (4,663,949)	$ (259,393)	$ 927,361	$ 3,205,893	$ (1,906,791)
12.68%	15.81%	13.72%	25.79%	15.02%	15.95%

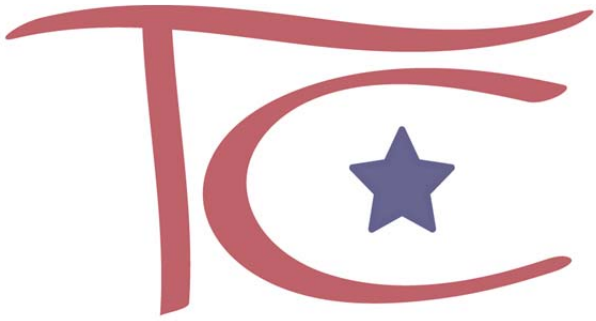
TOWN OF TROPHY CLUB, TEXAS **TABLE 5**
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Estimated Market Value		Less:	Total Taxable	Total Direct
	Real Property	Non Real Property	Tax Exempt Property	Assessed Value	Tax Rate
2006	557,098,576	20,565,996	14,477,096	563,187,476	0.43051
2007	669,790,841	15,603,238	18,941,759	666,452,320	0.43051
2008	728,292,523	31,439,675	30,732,229	728,999,969	0.43051
2009*	802,085,464	30,781,322	43,426,286	789,440,500	0.45551
2010	861,983,993	28,133,834	49,316,322	840,801,505	0.47000
2011	901,333,893	24,792,616	52,794,045	873,332,464	0.51500
2012	971,822,347	23,862,338	54,212,507	941,472,178	0.53000
2013	1,068,605,127	24,460,719	59,911,204	1,033,154,642	0.51854
2014	1,245,012,755	25,845,178	60,160,746	1,210,697,187	0.49930
2015	1,422,379,420	20,304,259	64,382,412	1,378,301,267	0.49000

Source: Denton & Tarrant County Central Appraisal District Certified Roll

Note: Total Taxable Assessed Value is not adjusted for tax ceilings.

* Tarrant County inlcuded beginning in FY 2009 (Tax year 2008)



TOWN OF
TROPHY CLUB

TOWN OF TROPHY CLUB, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(PER $100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS
(UNAUDITED)

	Town of Trophy Club						
Fiscal Year	Operating Mileage	Debt Service Mileage	Total City Mileage	Northwest ISD	Trophy Club MUD #1	Trophy Club MUD #2	Denton County
2006	0.359630	0.070880	0.430510	1.819300	0.280000	0.349000	0.246480
2007	0.367230	0.063280	0.430510	1.665000	0.250000	0.299000	0.231920
2008	0.351040	0.079470	0.430510	1.335050	0.230000	0.279230	0.235890
2009	0.374310	0.081200	0.455510	1.335000	0.225000	0.264230	0.235770
2010	0.388380	0.081620	0.470000	1.355000	0.205000	0.205000	0.249800
2011	0.397220	0.117780	0.515000	1.375000	0.195000	-	0.273900
2012	0.415013	0.114987	0.530000	1.375000	0.175000	-	0.277357
2013	0.403543	0.115000	0.518543	1.375000	0.133390	-	0.282867
2014	0.384300	0.115000	0.499300	1.452500	0.133390	-	0.284914
2015	0.380000	0.110000	0.490000	1.452500	0.133390	-	0.272200

Source: Denton & Tarrant County Appraisal Districts

TABLE 6

Overlapping Rates						Total Direct & Overlapping Rates
Trophy Club PID #1 ESD	Tarrant County	Tarrant County College	Tarrant County Hospital	Total MUD #1 Mileage	Total MUD #2 Mileage	
-	-	-	-	$ 2.847170	$ 2.845290	$ 3.125290
-	-	-	-	$ 2.640710	$ 2.626430	$ 2.876430
-	-	-	-	$ 2.310920	$ 2.280680	$ 2.510680
-	0.264000	0.137960	0.227897	$ 2.734440	$ 2.920367	$ 3.145367
0.109140	0.264000	0.137670	0.227897	$ 2.872230	$ 3.018507	$ 3.223507
0.109250	0.264000	0.137640	0.227897	$ 2.987570	N/A	$ 3.097687
0.109250	0.264000	0.148970	0.227897	$ 2.994564	N/A	$ 3.107474
0.104000	0.264000	0.149500	0.227897	$ 2.942300	N/A	$ 3.055197
0.087380	0.264000	0.149500	0.227897	$ 2.985984	N/A	$ 3.098881
0.077270	0.264000	0.149500	0.227897	$ 2.948860	N/A	$ 3.066757

TOWN OF TROPHY CLUB, TEXAS **TABLE 7**
PRINCIPAL PROPERTY TAX PAYERS
CURRENT FISCAL YEAR AND NINE YEARS EARLIER
(UNAUDITED)

	2015			2006		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (1)	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value (2)
Cnl Retmt CRSI Trophy Cl Tx LP	18,000,000	1	1.31%			
Trophy Club 12 LLC	14,481,513	2	1.05%			
Armore Trophy Club LLC	8,950,000	3	0.65%			
Hydra Hotels LLC	6,520,997	4	0.47%			
Trophy Club Medical Center	5,563,287	5	0.40%			
Lennar Homes of Texas Land & Construction LTD	5,497,526	6	0.40%			
4663 Okeechobee Blvd. and Palm Beach Holdings	5,352,159	7	0.39%			
Clubcorp Golf Tex LP P/S	5,080,864	8	0.37%			
First Texas Homes INC	5,009,276	9	0.36%			
Trophy Club Equities LLC	4,250,000	10	0.31%			
Regency Centers LP				11,149,262	1	1.98%
TCPC Partners LP				9,871,857	2	1.75%
Clubcorp Golf Tex LP P/S				8,186,720	3	1.45%
Trophy Club Medical Center				8,138,997	4	1.45%
Trophy Club MOB Partners LP				5,799,658	5	1.03%
Beck Property Trophy Club LP				4,387,561	6	0.78%
TXU Electricity Delivery Co				3,917,420	7	0.70%
Trophy Club 114 LP P/S				3,363,576	8	0.60%
Randall's Food Markets				2,840,618	9	0.50%
TC Plantations LTD P/S				2,571,637	10	0.46%
Totals	$ 78,705,622		5.70%	$ 60,227,306		10.68%

Source: Denton County Appraisal District and Tarrant County Apprisal District

(1) Total taxable value including real and personal property for tax year 2014 (fiscal year 2015) is $1,382,002,785

(2) Total taxable value including real and personal property for tax year 2005 (fiscal year 2006) is $563,187,476

TOWN OF TROPHY CLUB, TEXAS **TABLE 8**
AD VALOREM TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of levy		Amount	Percentage of levy
2006	2,881,601	2,851,921	98.97%	29,841	2,881,762	100.01%
2007	3,196,891	3,161,725	98.90%	35,694	3,197,419	100.02%
2008	3,650,949	3,621,376	99.19%	28,133	3,649,509	99.96%
2009	3,563,202	3,525,248	98.93%	35,693	3,560,941	99.94%
2010	3,864,014	3,836,568	99.29%	23,937	3,860,505	99.91%
2011	4,446,960	4,414,699	99.27%	22,926	4,437,625	99.79%
2012	4,858,136	4,838,092	99.59%	9,863	4,847,955	99.79%
2013	5,259,719	5,244,699	99.71%	-	5,244,699	99.71%
2014	5,904,591	5,877,500	99.54%	17,587	5,895,087	99.84%
2015	6,665,433	6,659,808	99.92%	49,565	6,709,374	100.66%

Source: Denton County Tax Assessor Collector

TOWN OF TROPHY CLUB, TEXAS **TABLE 9**
RATIOS OF OUTSTANDING BONDED DEBT BY TYPE
LAST TEN FISCAL YEARS
(UNAUDITED)

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Certificates of Obligation	Capital Leases	General Obligation Bonds	Certificates of Obligation	Capital Leases	Total Primary Government	Percentage of Personal Income (2)	Per Capita
2006	5,180,000	590,000	-	-	-	-	5,770,000	2.35%	749
2007	8,135,000	989,000	-	-	-	-	9,124,000	3.62%	1,175
2008	7,755,000	922,000	-	-	-	-	8,677,000	3.40%	1,152
2009	7,310,000	852,000	-	-	-	-	8,162,000	3.28%	1,074
2010	12,400,000	782,000	92,240	-	-	-	13,274,240	4.92%	1,618
2011	11,833,750	709,000	30,570	-	-	-	12,573,320	3.69%	1,531
2012	11,505,149	634,000	-	-	-	-	12,139,149	3.01%	1,348
2013	9,464,076	1,698,419	-	-	1,743,456	-	12,905,951	2.81%	1,229
2014	9,085,567	4,212,132	-	-	1,599,038	-	14,896,737	2.88%	1,241
2015	8,344,695	4,029,431	-	-	1,454,619	-	13,828,745	2.38%	1,064

(1) Personal Income and Population found on Table 15 of the statistical section

TOWN OF TROPHY CLUB, TEXAS **TABLE 10**
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	General Obligation Bonds	Certificates of Obligation	Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
2006	$ 5,180,000	$ 590,000	1.02%	$ 749
2007	8,135,000	989,000	1.37%	1,175
2008	7,755,000	922,000	1.19%	1,152
2009	7,310,000	852,000	1.03%	1,074
2010	12,400,000	782,000	1.57%	1,607
2011	11,833,750	709,000	1.44%	1,528
2012	11,505,149	634,000	1.29%	1,348
2013	9,464,076	1,698,419	1.08%	1,063
2014	9,085,567	4,212,132	1.10%	1,108
2015	8,344,695	4,029,431	0.90%	952

[a] Property values are from table 5.

[b] Populations are from table 12.

TOWN OF TROPHY CLUB, TEXAS
DIRECT AND OVERLAPPING DEBT
AS OF SEPTEMBER 30, 2015
(UNAUDITED)

TABLE 11

Governmental Unit	Debt Principal Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Denton County	$ 614,975,000	1.75%	$ 10,778,009
Northwest Independent School District	674,308,840	12.08%	81,471,566
Tarrant County	361,420,000	0.07%	239,694
Tarrant County Hospital District	45,035,000	0.07%	29,809
Trophy Club MUD #1	20,075,000	67.75%	13,599,989
Subtotal, overlapping debt	$ 1,715,813,840		$ 106,119,067
Town of Trophy Club, direct debt	12,374,126	100.00%	12,374,126
Total Direct and Overlapping Debt Principal	$ 1,728,187,966		$ 118,493,193

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of Trophy Club. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therfore responsible for repaying the debt, of each overlapping government.

Source: Most recent Texas Municipal Reports ("TMR") published by the Municipal Advisory Council of Texas.

TOWN OF TROPHY CLUB, TEXAS **TABLE 12**
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
(UNAUDITED)

Year	Estimated Population[a]	Total Households[a]	Median Household Income[b]	Total Personal Income
2006	7,703	2,824	92,492	261,197,408
2007	7,763	2,850	92,492	263,602,200
2008	7,531	2,289	92,492	211,714,188
2009	7,600	2,763	92,492	255,555,396
2010	8,204	2,930	92,492	271,001,560
2011	8,210	3,179	107,150	340,629,850
2012	9,005	3,395	118,595	402,630,025
2013	10,500	3,750	122,539	459,521,250
2014	12,000	4,145	124,593	516,437,985
2015	13,000	4,556	127,391	580,393,396

Sources: a Estimated population using residential water connections
b United States Census Bureau

TOWN OF TROPHY CLUB, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND FIVE YEARS AGO
(UNAUDITED)

TABLE 13

2015			2010		
Employer	**Employees**	**Percentage of Total City Employment**	**Employer**	**Employees**	**Percentage of Total City Employment**
Northwest Independent School District	388	31.04%	Northwest Independent School District	267	36.03%
Baylor Medical Center at Trophy Club	200	16.00%	Trophy Club Country Club	100	13.50%
Trophy Club Country Club	200	16.00%	Tom Thumb	90	12.15%
Town of Trophy Club[4]	100	8.00%	Town of Trophy Club & Trophy Club MUD #1	87	11.74%
Tom Thumb	75	6.00%	Cristina's Mexican Restaurant	45	6.07%
Cristina's Mexican Restaurant	55	4.40%	Ivy Glen	31	4.18%
Premier Academy - Trophy Club	42	3.36%	Trophy Club Family Medicine	17	2.29%
Fellowship United Methodist Church	43	3.44%	Blockbuster	12	1.62%
Trophy Lake Academy	35	2.80%	Texas Back Institute	8	1.08%
Merryhill Preschool	24	1.92%	Wells Fargo Bank	8	1.08%
Total	1,162	92.96%		665	89.74%

(1) Employment data is not available for 2006.

(2) Staff estimated total Town employment of 1,250 for fiscal year 2015

(3) Staff estimated total Town employment of 741 for fiscal year 2010

(4) Includes Full Time, Part Time, and Seasonal

TOWN OF TROPHY CLUB, TEXAS **TABLE 14**
FULL-TIME TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
Function	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**
General Government and Adminstration	7.50	10.00	9.00	9.00	10.00	12.00	12.80	12.00	14.00	13.00
Public Safety	26.00	25.00	29.00	21.87	21.80	22.30	23.10	27.60	31.40	32.40
Streets	-	-	5.00	6.00	4.90	4.90	4.90	5.00	5.00	3.50
Parks and Recreation	12.19	13.28	10.00	11.00	11.00	11.00	16.30	16.00	16.88	17.08
Community Development	4.00	6.00	4.00	2.50	2.50	3.00	4.50	6.00	7.00	5.75
Total	49.69	54.28	57.00	50.37	50.20	53.20	61.60	66.60	74.28	71.73

Source: Departmental records

TOWN OF TROPHY CLUB, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(UNAUDITED)

Function	2006	2007	2008	2009
Public Safety				
Police				
Number of stations	1	1	1	1
Number of police personnel	15	15	15	15
Number of arrests	82	81	152	121
Number of traffic stops	2,379	2,346	2,939	3,608
Fire				
Number of stations	1	1	1	1
Number of fire personnel	14	14	14	14
Number of calls answered	633	608	597	689
Developmental				
Miles of streets [a]	N/A	31	34	36
Cultural/Recreational Changes				
Parks	6	5	8	8
Park acreage	916	907	1,037	1,037

Source: Departmental records

TABLE 15

2010	2011	2012	2013	2014	2015
1	1	1	1	1	1
16	17	15	18	23	25
125	128	102	101	82	125
2,696	2,821	2,602	2,443	2,004	2,912
1	1	1	1	1	1
14	14	14	14	15	15
651	741	845	945	907	868
39	42	43	43	43	43
8	7	6	6	6	6
1,037	1,037	1,039	1,039	1,039	1,039